

All Hazards Consortium Board of Directors Policy
on
Board Oversight of AHC Debt

Philosophy. The purpose of financial management in the activities of the All Hazards Consortium (AHC) is to fulfill the organization's mission in the most effective and efficient manner and to remain accountable to stakeholders, employees, contractors, and those served by AHC. In order to accomplish this, AHC commits to using responsible and commercially reasonable debt and credit practices in the operation of the organization, and to provide notice to the AHC Board of Directors and obtain prior approval for the incurrence of debt as appropriate and necessary as set forth in this policy.

Authority. The Board of Directors is ultimately responsible for the financial management of all AHC activities. The AHC Executive Director and the AHC Program Management Office Director are authorized to act on the Board's behalf on financial matters when action is required in advance of a meeting of the Board of Directors and as necessary to carry out approved and budgeted activities.

- The Executive Director is responsible for the day-to-day financial management of the organization.
- The Executive Director is authorized to manage expenses within the parameters of the overall approved AHC budget, reporting to the Board on material variances and the reason for these variances.
- The Executive Director is authorized to incur debt on behalf of AHC with the prior approval of the Board as set forth in this policy.
- The Board of Directors must approve any use of any board-designated cash reserve fund.

Responsibilities. The Executive Director shall:

- Make no contractual commitment for bank loans, corporate credit cards, or incur other forms of debt on behalf of AHC without specific prior approval of the Board.
- Limit vendor credit accounts to prudent and necessary levels.

Financial Transactions with Insiders. No advances of funds to AHC employees, independent contractors, officers, or directors are authorized without prior approval of the Board, except as payment for goods and services in accordance with an authorized written agreement between the parties. In no case shall AHC borrow funds from any employee, independent contractor, officer, or director of the organization without specific prior authorization from the Board of Directors.

Approved: _____