



MSF GENERAL FINANCIAL PRACTICES

Approved 19 January 2007

Annual Budget: The Annual Budget will be the instrument to guide all activities of the Forum and related expenditures. The Treasurer shall prepare, with the oversight Board of Directors, an annual budget for submission no later than the Q4 face to face meeting. The responsible parties (Secretariat, MAE Chair, TC Chair) should be required to submit their annual budgets to the Board via the Treasurer by October 1 for consideration. The responsible parties (Secretariat, MAE Chair, TC Chair) should be required to submit all requests to the Board via the Treasurer for changes to the budget for approval prior to spending overruns. The Treasurer shall review proposals and recommend any budget changes to the full board for approval.

The Board of Directors shall approve, after suitable amendments, the annual budget by vote; the Secretary shall minute this approval no later than year end.

Approving the budget will automatically authorize the following line items:

- Secretariat services and monthly expenses,
- Any other services as covered by contract,
- Tax filing fees,
- Routine monthly payments itemized in the budget as approved.

Expense Approval Process: The Treasurer will receive a spreadsheet on a semi-monthly basis itemizing all invoices received for that period. AMS will retain the spreadsheet and copies of all invoices and receipts. The Treasurer must approve the spreadsheet authorizing the Secretariat to process payment before the Secretariat may make any of the payments.

Once the expenditure has been approved by the Treasurer, the Secretariat has the authority to make payment against invoices within such approvals.

The Secretariat shall issue all checks written on the Forum's behalf. The Forum's Executive Director shall approve all checks. All checks with an amount above \$5,000 require two signatures.

The following individuals shall be authorized to sign checks:

- President of the Forum
- Treasurer
- Executive Director
- AMS (Secretariat) Principals (Kirsten Machi, Karen Moreland, Lisa Winkler)



FINANCIAL AND INVESTMENT POLICY

The policy of the MSF is, at any given time, to hold an incremental sum equal to six months of the predicted annual expense budget in reserve. This policy is considered to be conservative in that it will allow the finances of the MSF to be managed well in advance of changes in membership or unforeseen expenses while preserving positive equity and cash flow positions. MSF's budget will be prepared annually by the MSF's Treasurer with the oversight of the Board of Directors. Subsequent to approval of the budget by the MSF Board of Directors, the Treasurer will be responsible for implementing, overseeing and periodically reporting budget to actual status to the Board of Directors.

Objective: The reserve funds of the MSF will be conservatively managed to provide a maximum return on investment.

Policy: No more than \$100,000 shall be held in any single instrument. Instruments shall be selected to provide the highest available interest return while placing low risk on the principal. Guaranteed return instruments are strongly preferred. Sufficient funds to conduct the business of the MSF shall be held in high yield checking accounts provided that the funds present in such accounts are fully insured.

Permissible Instruments:

- Banker Acceptance Notes;
- Certificates of deposit;
- U.S. Agency Bonds & Securities;

Liquidity of Investment Instruments: The reserves of the MSF shall be invested in such a way that the instruments mature in a staggered time frame.

Responsibility and Reporting: AMS is responsible for overseeing the day-to-day business of the MSF. AMS will work directly with the financial institution to manage the MSF's funds with the Treasurer's approval for amounts above \$5,000. Transfers of funds, when necessary, will be directed by the Treasurer and implemented by the Secretariat. The Board of Directors will act as the de facto Finance & Audit Committee. The Treasurer is responsible for reporting the finances of the MSF every other to the MSF Board of Directors.



Schedule of Authorities:

Expenditure:

Approval Authority:

Budgeted Expenditures

Treasurer

Unbudgeted Expenditures

Up to \$5,000

Treasurer

Over \$5,000

MSF Board of Directors

Investment Instrument(s):

Manager:

Up to \$100,000 per Instrument

Treasurer

PURCHASING AND CONTRACTUAL PROCEDURES

Purchase Contracts

All goods or services purchased by the MSF over \$10,000 (excluding hotel contracts for MSF meetings) shall be the subject of formal purchase contracts; these contracts shall clearly state:

- The quoted price for the goods or services, even if free of charge
- The delivery date for the goods or services
- Details of the supplier
- Payment terms

Before entering into a purchase contract, unless specifically decided to the contrary by a meeting of the Board of Directors, the Forum shall obtain competitive quotes from at least three possible suppliers. These quotes shall be requested in writing and received through the Secretariat or a Board-appointed committee specific to this purpose. All quotes shall be provided to the Treasurer. AMS will keep the materials on file.

Justification

Additionally, before a quotation is requested, the Treasurer or the appropriate Group within the Forum shall brief the Board of Directors setting out:

- The reasons why the Forum requires the various goods or services;
- The benefits the Forum will gain from their supply;
- When the goods or services are required;
- Who shall be responsible for choosing the supplier and what shall be the selection criteria;

Where the service involves the delivery of any programming or similar service, what acceptance criteria shall be applied and how these criteria will be applied



for amounts above \$10,000 (excluding hotel contracts for MSF meetings)

Categories of Purchases and Contracts

MSF contracts and purchases shall be grouped into the following categories:

- All contracts overseen by the Treasurer, including the Secretariat and its supply of administrative services to the Forum;
- Routine purchases made for and on behalf of the Forum by the Secretariat with money budgeted by the Forum.

The Treasurer shall have direct executive and contractual authority to develop and enter into purchase contracts, contracts of employment and contracts of services and of any other nature at his sole discretion, with the oversight of the Board of Directors.

The Board of Directors of the MSF shall have direct executive and contractual authority to develop and enter into a contract of employment with suppliers.

Covering routine purchases made on behalf of the MSF by the Secretariat, such as hotel accommodation for meetings, provision of audio visual equipment, Forum branded apparel and other items directly related to the Forum's meetings and operations, authority for such expenditure is delegated to the Secretariat through the Forum's Treasurer who holds the sole delegated responsibility for such purchases. It is the responsibility of the Treasurer to establish whether or not an expenditure is covered by items already budgeted and also to ensure that all likely expenditure known to the Secretariat is included in each year's budget.

It shall be the responsibility of the Treasurer to oversee and maintain this policy and they shall ensure that the Board of Directors is kept involved and fully informed regarding all purchasing decisions proposed or taken under this policy.

SERVICE AGREEMENTS

A service engagement is defined as any service performed for the MSF, either by contract or by less formal agreement. It can involve both MSF member companies and MSF non-member companies. The policy addresses two different types of service engagements: "For Fee" and "Pro Bono". A "For Fee" engagement is paid for out of MSF member funds, under terms spelled out in a contract. A "Pro Bono" service is a non-paid engagement for which the provider gains benefit such as promotional benefit or receiving revenues from other



parties such as members. An example of a “For Fee” engagement with a non-member company is the wireless LAN service. An example of a “Pro Bono” engagement is interoperability testing services for MSF sponsored test events.

New Service Agreements (or Renewals):

- When a need for a new service is identified, or if an existing engagement is due for renewal, the Treasurer will provide a report to the MSF Board on (a) the description of service to be provided, (b) inherent financials (revenue, expenses, fees, royalties, costs, etc.) and (c) a recommendation on required action.
- The Board should make a determination of which engagements, if any, need to be changed or re-bid as appropriate. If the Board approves such a recommendation, the Treasurer will oversee the RFP and contractual negotiation processes. It is necessary to ensure that prospective business engagements do not present a conflict of interest to the staff, Secretariat, directors, or committee chairs of the MSF Board. Full disclosure of any and all relationships between prospective candidates and the staff, Secretariat, directors, or committee chairs must be divulged during the RFP process.
- After reviewing the RFPs, the Treasurer will provide a recommendation to the Board.
- Decision on any RFP award must be approved by the MSF Board before notice is provided to the award recipient and also notice of non-award to the other responding candidates.
- In the case of a “Pro Bono” service, a notification of the service requirement will be sent to the entire membership and a notice will also be posted on the MSF website, as well as other forms of public announcement of the opportunity.

PAYMENT TERMS

Invoices and expense reports submitted to MSF will be paid upon the approval of the Treasurer no less than 30 days after submission of the invoice unless approved by the Treasurer.



TRAVEL & EXPENSE POLICY

Purpose: To provide guidelines relative for travel and entertainment expenses and the procedures for reimbursement.

Scope: This policy applies to all individuals who are authorized to travel or entertain on behalf of the MSF.

Policy: All travel shall be properly authorized, reported and reimbursed in accordance with the MSF travel regulations as outlined in this policy. Expenses are to be within established guidelines and will be reimbursed with proper documentation. Original receipts must be received by the Secretariat as an attachment to an expense report (airline, hotel, transportation, business dinners, etc.). No reimbursements for expenses will be made without original receipt. Under no circumstances shall travel expenses for personal travel be charged to, or temporarily funded by, the MSF. Nor shall any travel expenses for any MSF member be charged to, or temporarily funded by, the MSF.

The MSF recognizes that its staff, contractors and employees who travel to represent the MSF's business interests must forego their living accommodations and may forfeit personal time. Accordingly, the MSF will make efforts to provide comfortable and secure accommodations for lodging, meals and travel for employees. The MSF reserves the right to deny reimbursement of expenses that are considered lavish or extravagant.

Travel Arrangements

Approval for travel and travel-related expenses shall be approved as part of the annual budget process. Non-budgeted travel shall be approved in advance by the Treasurer

The individual will handle all logistics and will make and pay for all reservations directly with the airlines and other appropriate hospitality firms. Travel must be booked in a timely way to obtain the best fare/ rates available. Travelers who fail to obtain prior authorization from the Treasurer may be liable for any expenses incurred.

Expense reconciliation must be made within 30 calendar days of termination of trip.



Expense Guidelines

Direct billings to the MSF from hotels/motels, restaurants, etc. are permitted only with the prior authorization of the Treasurer.

Airline Tickets

Airline reservations should be made at the earliest possible date to benefit from reduced airfares. Tickets will not be reimbursed with less than a two-week minimum discount fare, without the Treasurer's approval. MSF will only reimburse economy class tickets. A preferred airline can be utilized as long as expediency and cost factors are within the pre-determined and specific budget set by the Treasurer.

Personal days, above and beyond the reasonable travel times to attend a meeting, will not be reimbursed by the MSF. For example, if traveling from the US to Europe to attend a meeting that begins on Monday and ends on Thursday; the MSF will reimburse travel initiated on a Saturday and ending on the following Friday. Typical business-related expenses will be reimbursed even if they are incurred on personal time (i.e. transportation to and from airport.)

If travel plans or destinations change during a trip, the reason for the change must be indicated on the Expense Report and will be reimbursed if a valid business purpose exists.

Lodging

All lodging for member meetings should be made through the Secretariat. The Secretariat should use every means available to place staff and employees in complimentary rooms first when available. Complimentary rooms for staff, contractors and employees should be standard rooms.

When it is necessary to pay for lodging, all lodging is expected to be in the moderate price range and provide staff, contractors and employees with an acceptable degree of safety, comfort and convenience.

If an employee or staff is accompanied by a non-employee or staff member such as family or friend, and therefore requires separate accommodations, the employee or staff member will be responsible for payment of any excess lodging accommodations.



Meals and Incidental Expenses

Employees, contractors and staff will generally be responsible for obtaining their own meals while traveling.

If employee and/or staff are traveling on the MSF's business, other than that of a designated meeting, travel meals will be limited to \$60 per day for North American travel (breakfast: \$10; lunch: \$15; dinner: \$30) and \$85 per day for regions other than North America (breakfast: \$15; lunch: \$25; dinner: \$45).

Itemized receipts are required for actual reimbursement

Only in exceptional circumstances, and with the pre-approval of the Treasurer, shall staff or employee submit expenses for reimbursement for any member of the MSF or any individual other than themselves.

Miscellaneous Expenses

Claims for reimbursement of miscellaneous expenses must include an explanation of why the expenditures were incurred.

Any unusual or extraordinary expenses must be pre-approved by the Treasurer.

The MSF will not reimburse any entertainment expenses without prior approval from the Treasurer for said expense.

OFFICE EXPENSES POLICY

Consultants to the MSF (such as the GMI Coordinator) may, according to the terms of their contracts, be eligible for reimbursement for expenses related to the maintenance of a home office. Typically, such expenses include such items as office supplies, telephone charges, fax charges, and internet access.

Expenses are to be sent to the Secretariat on a quarterly basis or more frequently, using the appropriate expense reporting form. Expense reports must be accompanied by original receipts.

CREDIT CARD USAGE

Credit cards provided to the Secretariat Staff are to be used primarily for the payment of travel and living expenses related to MSF business. In general, credit cards are not to be used to pay for other MSF expenses such as supplies or services. Every attempt should be made to arrange for payment by cash or wire transfer. Exceptions (such as on-site payments for trade show services) must be documented with receipts for review by the Treasurer.