

## **Standard Operating Procedures (SOP) for ISSFAL Financial Policies**

**Objective:** The primary objective of this Standard Operating Procedure (SOP) is to establish a systematic and transparent process for making financial payments within the International Society for the Study of Fatty Acids and Lipids (ISSFAL). This SOP aims to ensure accuracy, efficiency, and compliance with financial regulations, thereby maintaining the financial integrity of ISSFAL.

**Scope:** This SOP applies to all financial transactions involving payments made by ISSFAL, including, but not limited to vendor payments, honoraria, reimbursements, and grants.

### **1. Finance Committee**

- 1.1. Purpose: The committee provides financial oversight of the Society and provides advice and counsel to the Board of Directors and Executive Committee on financial matters. The Committee proposes the annual budget to the Board and consults on strategic issues with financial implications.
- 1.2. Committee Membership: Membership of the committee shall include the treasurer, president, president elect, secretary, the banking liaison (board member who is a U.S. citizen and a signatory to the bank account), and the management staff representative.
- 1.3. Role of Chair: The Society Treasurer serves as the chair of the Finance Committee. The role of the chair is to:
  - 1.3.1. Report to the Executive at each Executive Committee meeting on the status of the Society's finances and makes financial information available to the Executive Committee members and the public.
  - 1.3.2. Maintain the sole authority to access the banking credentials and manage the other individuals with bank account access.
  - 1.3.3. Work with the management staff to:
    - 1.3.3.1. Approve accounts payable on a monthly basis.
    - 1.3.3.2. Ensure appropriate financial reports are made available to the board and Executive Committee on a timely basis.
    - 1.3.3.3. Assist in the preparation of the annual budget.
    - 1.3.3.4. Consult with leadership on programs and services which impact the budget.
    - 1.3.3.5. Report to the membership at the annual meeting the financial status of the Society.
- 1.4. Role of Committee members:
  - 1.4.1. Attend via conference call or in person the meetings called by the chair.
  - 1.4.2. Review all financial reports in sufficient time to provide thoughtful feedback to the staff and committee regarding the Society's financial position.
  - 1.4.3. Monitor expenditures and income, usually through monthly financial statements.
  - 1.4.4. Review, approval or denial of payment requests.

1.4.5. Monitor the Society's investments.

## **2. Accounts Payable Procedures**

- 2.1. As invoices are received, they are coded to a proper account by management staff through the bookkeeping system.
- 2.2. On or about the 15th of each month, management staff will prepare an accounts payable report – a listing of all invoices and expenses to be paid, including scans of all invoices and receipts for reimbursement.
  - 2.2.1. The monthly accounts payable report will include, listing of all purchases made with any credit/debit cards held on ISSFAL accounts complete with copies of receipts for all payments unless said payments are pre-adopted by the treasurer as regular recurring payments.
- 2.3. Management staff will forward to the treasurer an electronic copy of the accounts payable report and save an electronic copy to the ISSFAL files.
- 2.4. The treasurer will, within 5 business days, review the Accounts Payable Report. Following review, the treasurer will alert the management staff via email what accounts are released to be paid.
- 2.5. Management staff will expedite responses to any questions from the treasurer and, upon receipt of approval, communicate with the treasurer regarding approved payments.
- 2.6. Upon notice from the management staff that accounts have been approved for payment, staff will process all payments. Payments may be made via electronic bill payment or check.
- 2.7. Upon written approval of the treasurer, repetitive accounts payable (consistent amounts due at regular intervals for consistently delivered goods and services) may be set up as automatic payments but will be recorded on monthly reports and reviewed at least annually.

## **3. Payment Approval Process**

- 3.1. Expenses up to \$500 may be approved by a member of the executive committee
- 3.2. Expenses in the range of \$500 to \$2500 must be approved by two of the following:
  - 3.2.1. President
  - 3.2.2. President-Elect
  - 3.2.3. Treasurer
- 3.3. Expenses above \$2500 must be pre-approved by the Executive Committee
- 3.4. Review and Verification: The Treasurer will review each payment request for accuracy, completeness, and compliance with ISSFAL financial policies.

## **4. Budget Requests**

- 4.1. ISSFAL Board members may provide a proposed budget and application documents can be submitted to the Finance Committee for review. The Finance Committee will review the applications within 30 days and make recommendations to the Executive Committee during the year-end budgeting

process. The Executive Committee will have final approval on funding decisions. Results of the applications will be communicated to the contact person on the submitted application.

5. **Payment Methods:** ISSFAL may use various payment methods, including but not limited to bank transfers, checks, and electronic payment systems. The chosen method will depend on the nature of the payment and ISSFAL's financial policies.
6. **Recordkeeping:** All payment transactions will be accurately recorded in the ISSFAL financial records on the Shared Google Drive and *Bookkeeping database*, ensuring transparency and accountability. Documentation supporting each payment will be securely stored for auditing purposes.
7. **Compliance:** ISSFAL is committed to complying with all relevant financial regulations and ethical standards. The Treasurer and Executive Committee will stay updated on changes in financial regulations and promptly implement any necessary adjustments to the payment process.
8. **Communication:** Clear communication channels will be maintained between the Treasurer, Management Team and relevant stakeholders to address any queries or concerns regarding payments. Timely updates on the payment status will be provided as necessary.
9. **Review and Revision:** This SOP will be periodically reviewed and revised to ensure its effectiveness and relevance. Any updates will be communicated to the relevant stakeholders.
10. **Approval:** This SOP is approved by the ISSFAL Board or the designated authority within the organization.

Date of Last Revision: February 12th, 2024

This SOP serves as a guideline for making financial payments within ISSFAL and should be followed rigorously to uphold financial integrity and accountability.