NCSA Activity Director Financial Management Guidance

Contracts

All contracts must come through NHQ to be signed by the corporation. This includes but is not limited to all catering, food service or housing holds. Contracts and quotes for your activities need to be received by CAP/CPA as soon as possible so they can be signed by NHQ Contracting and entered and approved in the NHQ finance system. Target date for all winter contracts to be in hand is no later than September 1. Target date for all summer contracts to be in hand is March 1.

Activity Directors should encourage vendors with contracts to use the Electronic Funds Transfer (EFT) capability for large transactions like lodging or food service. EFT payments provide a smooth process between NHQ and the vendor organization. Have your vendor complete the EFT direct deposit form. All vendors need to provide an updated W-9 providing proof of their EIN, contact information and address.

Once signed, NHQ will create a Purchase Order (PO). That signed document will be placed in your activity OneDrive. Once you receive the invoice related to the signed contract or quote, submit that invoice for payment processing.

Large Purchases

Expenditures with a single vendor exceeding $7,499.99 require prior authorization to purchase. Anything over this threshold requires NHQ to create a Purchase Order so the vendor can be paid in a timely manner. Large purchases SHOULD NOT be placed on a credit card without preapproval and should be handled by NHQ. You CANNOT split the bill and make multiple payments to get it below the threshold.

EXAMPLE 1:

- You have a planned, approved expense for $6,000
- You spend $2,000 more on the expense

This cannot happen without approval from NHQ because it exceeds the $7,499.99 threshold and requires a Purchase Order.

EXAMPLE 2:

- You have an approved Budget Obligation Request for $10,000 to a local diner
- You changed your plan, went to a different restaurant and the bill was $10,500

This change of vendor and the fact that that amount exceeds 3% of the approved expense requires an updated Purchase Order and approval from NHQ before moving forward.

EXAMPLE 3:

- You order T-shirts and patches from a single vendor
- The t-shirts cost $6,500; The patches cost $3,334
- You receive an invoice to pay each order separately

This cannot happen without approval from NHQ because it exceeds the $7,499.99 threshold from a single vendor and requires a Purchase Order.

Surplus Funds

If your activity runs a surplus, you are not authorized to spend those funds on supplies for the next year without permission. Please call CAP/CP. The priority will be completing the current year's activities. Then CAP/CPA will prioritize your requests with the overall funding plans.

Ratification: The Dangerous Consequence of Overspending

Ratification occurs when you overspend any line of your approved budget by 10%.

This negative consequence impacts your activity, your ability to retain the Activity Director position and Cadet Programs as a mission.

If you are anticipating overspending, please contact Cadet Programs immediately. We may be able to allocate anticipated funds if we know about the need in advance.

Under no circumstance should you overspend your budget.