

North Los Angeles County Regional Center  
**Board of Trustees Policy**

**Board Budget Expenditure Policy**

**Scope**

This procedure applies to NLACRC Board of Trustees.

**Purpose**

This policy outlines the standards, guidelines and procedures that the Board of Trustees must follow when approving and incurring expenditures related to the Board of Trustees on behalf of NLACRC. The goal of this policy is to establish guidelines for Board of Trustees expenditures that align with the mission and goals of NLACRC and that take into consideration the organization's public funding source from the State of California's Department of Developmental Services ("DDS").

**Rationale**

The Board of Trustees is responsible for overseeing its board expenditures in order to (1) carry out its governing, fiduciary, and oversight responsibilities of NLACRC; (2) promote the purpose and work of NLACRC; and (3) ensure the Board of Trustees operates within a responsible, sustainable financial framework.

In line with these responsibilities, the NLACRC Board of Trustees approves a board budget each fiscal year via a majority vote of the board.

**Policy**

The NLACRC Board of Trustees conducts a planning process each fiscal year as part of its annual business planning.

The NLACRC Board of Trustees budget shall demonstrate expenditures necessary (1) to support and enhance the knowledge and skills of board members involving their roles, fiduciary responsibilities, and governance responsibilities; and (2) to promote NLACRC's mission and goals. All Board of Trustees expenditures shall have a purpose directly related to the governance, mission, and goals of NLACRC, and expenditures shall not compromise NLACRC's reputation.

Board Members have a fiduciary responsibility when making purchasing decisions that involve the public funds that NLACRC receives from the DDS. Board Members shall exercise sound discretion, care, and reasoning when developing the annual Board of Trustee's Budget, just as they would their own affairs. When making decisions to manage the board budget, Board Members shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including but not limited to the general economic conditions, the reasonableness of the expenditures, and the anticipated needs of the regional center, that a prudent person acting in a like capacity and familiarity with those matters would use in authorizing a board expenditure.

The NLACRC Board of Trustees budget must be flexible in responding to unforeseen events, including possible reductions in NLACRC's funding allocation from DDS or changes in statutes, regulations or contract. Therefore, the board budget must be regularly monitored and reviewed.

## **Responsibilities**

Board Members should consider several factors in making decisions to expend public funds related to the activities of the Board of Trustees. These factors include, but are not limited to, the following:

1. General economic conditions and climate
2. The availability of funding from DDS to operate NLACRC
3. The impact the board expenditures will have on NLACRC's ability to operate the regional center, if applicable
4. The purpose of the expenditure related to NLACRC's mission, strategic goals, board member development, and/or governance of NLACRC
5. The expected outcome of the board's expenditure is measurable and/or justifiable
6. The expenditure does not negatively impact NLACRC's reputation
7. The expenditure is reasonable for use of public funds

It is the responsibility of the Chief Financial Officer, or their designee, to prepare all board budgets and review the monthly Board Budget versus Expenditures Report with the Board of Trustees.

## **Procedures**

Prior to the start of each fiscal year, the Chief Financial Officer, or their designee, prepares the board budget estimate as part of the Board of Trustee's business plan for

the subsequent fiscal year. The budget process includes, but is not limited to, consideration of the following factors:

1. The Annual Budget/Encumbrance from DDS to operate NLACRC
2. Projected expenditures to operate NLACRC
3. The 15 percent cost cap for administrative expenditures, which includes all expenditures incurred for NLACRC Board of Trustee activities, training, travel, and support
4. Expenditures for board member travel and board member support
5. Expenditures for supporting the Board of Trustees and Committee meetings and accessibility of the meetings to the public
6. Expenditures to enhance Board member knowledge and skills regarding their fiduciary responsibilities and governance of NLACRC
7. Expenditures to engage in team building/relationship building between board members
8. Expenditures to promote NLACRC and to increase community awareness of the services and supports provided by regional centers
9. Expenditures to recognize the contributions of Board Members, including Board Members terming off the Board of Trustees
10. Expenditures to enhance relationships with legislators
11. Expenditures to recognize community members such as the Jynny Retzinger Community Service Award or the Board Recognition Award to increase community engagement and community relationships

The initial Board of Trustee budget estimates are based on (1) the current fiscal year's expenditure projections through the end of the fiscal year; (2) adjustments for potential increases or decreases in ongoing board expenditures in the subsequent fiscal year; (3) revisions to expenditures to support new Board of Trustees goals and objectives; and (4) expenditures related to the implementation of statutes, regulations, or contract requirements affecting the Board of Trustees roles, responsibilities, fiduciary responsibilities, or governance of NLACRC.

The Chief Financial Officer, or their designee, will present the draft board budget for discussion at an Executive Committee Meeting. The Executive Committee may accept the budget estimates as presented or may request changes or variations to the draft board budget.

The Chief Financial Officer, or their designee, will then revise the draft board budget, if applicable. The revised draft board budget shall be presented at the next available Board meeting, no later than June. Once adopted by the NLACRC's Board of Trustees, the adopted board budget becomes the official operating budget for the Board of

Trustees activities and support for the following fiscal year. All Board Members and employees must work within the financial limits established in the Board of Trustee's annual budget.

NLACRC and the Board of Trustees shall not purchase alcoholic beverages as this is explicitly prohibited by DDS.

### **Monitoring and Reviewing the Annual Budget**

The Chief Financial Officer, or their designee, is responsible for monitoring the board expenditures, reviewing the actual and budgeted board expenditures, and reporting on the progress of such expenditures.

The Board Budget versus Expenditure report ("Report") will be prepared for review and discussion at the Administrative Affairs Committee meetings. The Report will show the adopted board budget, year-to-date expenditures, the available budget remaining, any significant variation of expenditures from the budget estimates, and indicate any increases or decreases in funding of the board budget.

The Chief Financial Officer will indicate if any of the variations in the board's expenditures or funding will result in a change or variation to the Board of Trustee's approved board budget. If the Administrative Affairs Committee authorizes changes to the board budget, the Chief Financial Officer will update the board budget. The revised board budget shall be presented at the next available Board meeting for review and approval. Once adopted by the Board of Trustees, the amended board budget will become the new operating budget for NLACRC's Board of Trustees activities and support for the remainder of that fiscal year. All Board Members and employees must work within the financial limits established in the Board of Trustee's amended annual board budget.

### **Expenditure Approval Process**

Once approved in the board budget, board member support services such as childcare, attendant card, and mileage or transportation to and from meetings and trainings must adhere to the Board of Trustees Board Member Support Policy. Reimbursements will be approved by the Executive Director and Chief Financial Officer or designee.

Once approved in the board budget, supplies for board members to participate in meetings and trainings, including but not limited to office supplies, overnight mailings and nameplates, will be provided by NLACRC. Similarly, meals for in-person meetings

and trainings that have been approved in the board budget will be provided by NLACRC.

In considering proposed board expenditures for board member travel, the Administrative Affairs Committee and Board of Trustees shall consider necessity and purpose. Specific to board member training and associated travel, a proposed board budget expenditure for travel, including accommodations, meal, and transportation, as applicable, would be justified if the training identified is not available locally, the expenditures are necessary to access the training, and the total cost of travel is within the funds available in the board budget. Out of state travel for the purpose of training should only be considered if the same or comparable training sought is not available in California, and further, not available locally or in a nearby county. Accommodations, whether in California or out of state, will be selected by NLACRC staff and should take into consideration NLACRC's public funding source. Reimbursements for travel must adhere to the Board of Trustees Travel Reimbursement Policy. Travel reimbursements will be approved by the Executive Director and Chief Financial Officer or designee.

All other proposed board expenditures will be reviewed in advance by the Administrative Affairs Committee for a recommendation to the Board of Trustees for approval. For all board budget expenditures, the Administrative Affairs Committee and the Board of Trustees will consider the nature of the expenditure as it relates to the factors set forth in the Procedures section of this policy. Invoices for expenditures that have been approved by the Board of Trustees will be reviewed and approved for payment by the Executive Director and Chief Financial Officer for payment.

Proposed board budget expenditures for events and retreats shall demonstrate prudence in selecting the venue and vendors to service the event or retreat and should represent a reasonable expenditure of public funds. The Chief Financial Officer will prepare an estimated budget for an event and/or retreat that has been approved by the Board of Trustees. The event and/or retreat budget will be reviewed by the Administrative Affairs Committee for a recommendation to the Board of Trustees for approval.