Seattle King County Dental Society

Treasurer's Handbook

Updated: Mar 2021

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I. Role of the Treasurer

The Treasurer shall be appointed by the President with the consent of the Executive Council. The Treasurer shall attend and present financial information at all meetings of the Executive Council and chair the Budget and Finance Committee. The Treasurer shall be responsible for collecting and dispersing Seattle-King County Dental Society funds.

Source: SKCDS Bylaws

II. Budget and Finance Committee Roles and Responsibilities

This Budget and Finance Committee shall:

A. Consist of seven (7) members, two (2) of whom shall be appointed each year whose terms shall be three (3) years. The Chair of the Committee shall be the Treasurer who shall be appointed by the President from among the senior members of the Committee, in time of service. One of the members shall be the president-elect who shall serve a one-year term.

B. This Committee shall:

1. Act in an advisory capacity to the Executive Council and the Executive Director on all matters pertaining to the funds of the Society.
2. Receive and consider all requests for funding from the officers and committees to be expended by them during the ensuing year.
3. Prepare annually a budget showing sources and estimated amounts of revenue and recommend disbursements for the ensuing year.
4. Allocate the amount of funds available to meet various requests and present its recommendations to the Executive Council.
5. Allocate for current expenses up to one hundred percent (100%) of estimated revenue.

Source: SKCDS Bylaws

C. Time Commitment: 6 times a year, usually on the first Monday of the month. At least two of the meetings (usually January and August) are held with the Society's investment advisor present so that the portfolio can be reviewed. The meetings February and March usually address preparation of the upcoming fiscal year's budget. The June and November meetings cover any additional business necessary. Additional meetings may be held at the Treasurer's discretion to complete unfinished or urgent business.

III. Cash Management Policies and Procedures

Every effort shall be made to limit risk in the Seattle-King County Dental Society's financial and cash management procedures. This is challenging given the small size of the Society's staff; however, when possible, every effort shall be made to ensure sufficient separation of duties and oversight occurs when handling the funds and finances of the Society.

A. Creation of an Annual Budget

The Executive Director of the Society, working with the director of administrative services, prepares a budget for the upcoming fiscal year. This budget will contain income projections as well as expense projections. In addition to the budget itself, the staff will provide a detailed write up of the logic in determining both expenses and income.

Once the budget is prepared, it shall be submitted to the Budget and Finance Committee no later than its March meeting. The Budget and Finance Committee will carefully review all documents, make recommendations and, when their review is complete, recommend its approval to the Executive Council. The Executive Council will approve the budget as a part of their last meeting prior to the new Council and President taking office. This meeting usually occurs in March.

The Budget and Finance Committee as a standing agenda item will review all income and expenses against the budget. Any modifications to the approved budget must be reviewed and approved by the Budget and Finance Committee, and the Executive Council must review their actions. If necessary, the Executive Council can approve a revised budget.

B. Approval of Expenses

All expenses must be approved by the Executive Director prior to payment. The Executive Director's expenses are reviewed by the Treasurer of the Society. All expenses must be assigned to an account number in the Chart of Accounts established in QuickBooks.

Bills are given to the Executive Director, initialed as approved for payment and the Executive Director assigns the bills to a specific account number(s) in QuickBooks' Chart of Accounts that is most reflective of the nature of the expense. The bills are then entered via online banking portal for online approval by the Treasurer. All expenses are entered immediately into the QuickBooks program as a part of that process to ensure timely data entry and accurate and up-to-date financial records. Copies of all invoices approved are then scanned and emailed to the Treasurer for careful review of payments generated. The Treasurer shall be made known of all ongoing payments including recurring automatic withdrawals and credit card transactions.

All bills are documented with the date paid and the check number assigned by the online banking portal and are kept in a file created for that month's expenses. These monthly files are kept in accordance with the Society's document retention process and are reviewed during the Society's annual review or audit by an outside accountant.

C. Bank Statements

All bank and investment statements, as well as credit card services bills, are received and passed unopened to the Executive Director. The Executive Director shall open the statements and review them for accuracy and to ensure there are no unapproved expenses being processed. The Executive Director then personally reconciles or passes the statements on to the director of administrative services to reconcile the statements with QuickBooks. Each month, the Executive Director or the director of administrative services shall reconcile the bank statements with QuickBooks and ensure all entries are appropriately categorized. Reconciliation adjusting entries (e.g., bank fees, etc.) are reviewed by the Executive Director once reconciliation is completed.

A separate copy of all bank statements is mailed directly or digitally sent via secure protocols directly from the financial institution to the Treasurer of the Society to the address of their choosing. The Treasurer shall review the bank statements within ten days of receiving and alert the President of the SKCDS of any significant anomalies. If no anomalies exist, the Treasurer shall notify the Executive Director the bank statements have been reviewed and are "in order".

D. Check Signing and Approval

The Treasurer and Executive Director shall schedule a time to review invoices and sign prior to the 30th of each month. In the event the Treasurer is unable to review and sign/approve the payments, the Executive Director shall have the President or President-elect review and approve the invoices, check stubs and checks.

In the event that paper checks are approved and generated (see IIIB above), the Treasurer shall sign all checks, and sign and date the invoices and the check stub matching each invoice on the day of review. More recently, approved payments are generated by the Executive Director for payment via the society's online banking portal. Copies of all invoices are submitted to the Treasurer with a detailed description of each transaction by the Executive Director (see above). After reviewing each payment, the Treasurer will approve the transactions via the online banking portal. An email from the Treasurer to the Executive Director confirming approval of each online payment will be considered a sufficient paper trail as long as email communications are saved and archived per the Society's Document Retention Policy.

In the case of paper checks, once the Treasurer has signed the checks, the Executive Director—or some other authorized signer—shall also sign the checks. All checks drawn off of the Society's checking account require two signatures to be valid. In the extremely rare instance when a second signer is unavailable, then an email must be sent to the officers of the

Society sharing the amount of the check, the reason for the check and why a second signer cannot be found. Once the checks are signed, they are handed to the director of administrative services for processing and mailing.

E. Oversight

- Fiscal Year: The Society's fiscal year runs from June 1 to May 31.

- Annual Audit and/or Review: Each year, the Society shall engage the services of an accountant to audit or review the financials of the Society. The Budget and Finance Committee may go through a request for services process and shall make the final selection of the accountant to conduct the audit or review. The results of this process and its accompanying management letter (if generated) will be shared with the Budget and Finance Committee. At its discretion, the Committee can directly contact the accountant for clarification and/or recommendations. After their review of the audit or review, it is then passed on to the Executive Council for final review and approval. The Executive Council determined that, with this process in place, the Budget and Finance Committee shall act as the Audit Committee for the Society.

- Member Oversight: Any member of the Dental Society may request to review the Society's QuickBooks records, annual audit/review or any financial documents—including the annual budget of the Society. Members of the Society may come to the Central Office to review such documents, and free copies of the documents shall be provided—so long as the copying is within reason. In the event a request for copying is made that is deemed unreasonable by the Executive Director or the request raises concerns (e.g., salary, benefit information, etc.), the Executive Director will discuss the matter with the Executive Council who will make the final determination of what is to be provided to the member.

- Monthly reports: Each month, the Executive Director shall generate profit and loss reports and a balance sheet that will be shared with the Budget and Finance Committee as well as the Executive Council. These reports will compare actual with budget (profit and loss) and current fiscal year with past fiscal year (balance). On a quarterly basis, the Executive Director will also prepare a trial balance report for the same review. This procedure also allows the Executive Director an opportunity to review the bookkeeping work performed. Any discrepancies, questions or other concerns may be directed to the Executive Director. Copies of these reports become a part of each Executive Council packet generated and are retained accordingly.

F. Banking and Investment Accounts

- Primary Checking Account: The purpose of this account is to manage the day-to-day operations of the Society. This account shall maintain an average balance of two months' worth of expenses as determined by the Society's annual budget. At the end of each month, the Executive Director, with the Treasurer's knowledge, shall transfer funds out of or into this account, to or from the Money Market account, to ensure that the account is maintained at the proper level throughout the year.

- Money Market Account: In addition to the primary checking account, the Society will also maintain a money market account. The purpose of this account is to move dues revenue into a higher interest rate earning account until they are needed as well as to ensure economic certainty in challenging times by maintaining a reserve. These funds are to be liquid for flexibility and are also to earn a higher rate of return than the Primary Checking account. This reserve account shall hold 50% of the Society's annual operating budget.

  On Oct 1 the Executive Director, with the Treasurer's knowledge and approval, shall transfer funds out of or into this account, to or from the Investment Account, so that the account balance is 50% of the annual budget. This reserve account shall not be kept in an account that is assessed fees by an investment advisor as part of assets under management.

- Investment (Reserves) Account: The primary purpose of this account is to hold a corpus of funds that is used to generate income to be used for member benefits. The secondary purpose of this fund is to be used for emergency or strategic purposes. It is not the purpose of this account to grow the corpus of funds indefinitely, but to use the funds for the benefit of the Society members.

This account shall be managed by an investment advisor selected through a Request for Proposal (RFP) process every three to five years, as determined by the Executive Council upon the recommendation of the Budget and Finance Committee. The advisor of the Investment Account shall be instructed that the Society is willing to accept moderate risk and expects a 5-6% rate of return. The funds shall be invested primarily in securities and there shall be no investment in proprietary funds.

At the January Executive Council meeting, the Executive Director shall provide the Executive Council with information about the balance of the Investment Account and the average of the budget for the last three years.

-If the Investment Account balance is over 200% of the budget three-year average, the Executive Council may elect to allocate any portion of the amount over 200% of the budget three-year average to the next year's budget.

-If the Investment Account balance is over 300% of the budget for the last three years, the amount over 300% of the budget three-year average shall be allocated to the next year's budget, and the amount between 200% and 300% of the budget three-year average may be allocated to the next year's budget as elected by the Executive Council.

-In unusual circumstances, as determined by the Executive Council, any amount of the Investment Fund under 300% of the budget for the last three years may be allocated by the Executive Council to the next year's budget for emergency or strategic purposes.

On August 1, with the Treasurer's knowledge, the Executive Director shall transfer the funds allocated by the Executive Council to the next-year's budget out of the Investment Account and into the Money Market Account. These funds shall be placed into the operating budget for the following year as Non-Dues Income; Income from Investments and shall be used for the benefit of the Society's members.

Twice a year, the Budget and Finance Committee meets with its financial advisor to review its portfolio and its performance. Upon recommendation of the advisor, the Budget and Finance Committee has been authorized to buy and sell stocks and other securities. Such actions must be reflected in the Committee's minutes and no transactions can take place until the financial advisor receives an approved electronic version of the Committee's minutes. These same minutes are also shared with the Executive Council. Finally, the director of administrative services also receives a copy of the minutes so that it can be verified that the transaction has taken place while reconciling the monthly statements. In the event that the Investment Advisor's statement does not agree with the minutes, the director of administrative services shall bring this to the attention of the Treasurer and the Executive Director via an email.

- <u>Credit Account</u>: The President and Executive Director shall each have credit cards for Society expenses. Having two cards and signers for the Society credit card account allows for transitional or emergency access to the credit account if necessary.

G. Records Retention

All financial records are retained in accordance with the Society's Document Retention Policy which has been approved by the Executive Council.

H. Desk Procedures

In addition to this policy, there are several desk procedures created by the director of administrative services and the director of membership detailing how checks are deposited, credit card charges are handled, and other related activities are conducted. These procedures are available for review by the Treasurer and/or Executive Council upon request.

Created on December 24, 2009; Reviewed by Budget and Finance Committee on January 4, 2010. Updated on October 4, 2011. Reviewed and approved by Budget and Finance on January 4, 2012

IV. Other Policies

A. Investment Policy Statement

Introduction

The purpose of this Investment Policy Statement (the “Policy”) is to provide guidelines for the prudent management of the Seattle-King County Dental Society’s investments (the “Portfolio”) and is intended to assist the Executive Council and the “Board” in ongoing supervision and monitoring of the Portfolio. The Board will be responsible for the review and adoption of any future changes to this Policy. This Policy defines the Seattle-King County Dental Society’s investment objectives and responsibilities of those involved in the investment and management of the Portfolio.

This Policy does not constitute a legally binding agreement between the Seattle-King County Dental Society and any Investment Advisor. Any agreement with an Investment Advisor with respect to this Policy would be pursuant to a separate written agreement with said party. During future times the objectives of the Board may change and as a result this Policy is intended to be used as a guideline, summary of an investment philosophy and summary of procedures that provide guidance for the Seattle-King County Dental Society, the Board, and Investment Advisor.

Seattle-King County Dental Society Mission and Goal

The Seattle-King County Dental Society is committed to improving oral health in our community through collaboration with our members and alliances. For over 125 years, the Society has promoted oral health through support and education opportunities for the dental professionals in our County.

The Seattle-King County Dental Society is a membership group comprised of over 1,700 dentists practicing in King County. We are a component society of the Washington Dental Association and the American Dental Association. The Society has developed partnerships to provide access to dental work for lower-income households to help promote strong dental habits for young children and for others who might not otherwise have access to professional dental work. The Donated Dental Services program has provided over $5 million of donated care since being launched in 2000.

Responsibilities

The Board, or such members of the Board as so delegated, has the responsibility for establishing and modifying this Policy, including establishing the asset allocation for the Portfolio. The Board and the Investment Advisor are charged with the coordination and implementation of the management of the Portfolio according to this Policy. Responsibilities are set forth below:

The Board is responsible for:

- Managing funds in a way that provides for the ongoing financial stability of the Society and benefits to its members.
- Establishing, reviewing, and modifying this Policy from time to time. Revisions must be approved by the Board.
- Setting the asset allocation targets and ranges for the Portfolio and modifying them from time to time.
- Implementing this Policy with input from the Investment Advisor.
- Providing the Investment Advisor with a schedule of quarterly Board meetings and any specific reporting requests / modifications in advanced notice of said meetings.
- Engaging the Investment Advisor to assist in carrying out its investment responsibilities and to implement the investment strategy and decisions of the Board.
- Continuing or terminating the Investment Advisor and monitoring its performance.
- Engaging and continuing or terminating the Portfolio's custodian and monitoring its performance.
- Monitoring the fees and other expenses associated with the management and administration of the Portfolio.
- Overseeing the cash spending needs of the Board and communicating those to the Investment Advisor within a reasonable timeframe to satisfy those liquidity needs.

Investment Advisor

The Investment Advisor is responsible for:

- Guiding the Board with respect to the strategic asset allocation targets and ranges.
- Acting in accordance with the fiduciary standard, and minding Policy restrictions, if any.
- Adhering to and implementing the Portfolio's asset allocation and investment strategy while maintaining discretionary investment management authority (including decisions to buy, sell or hold) within the guidelines established herein.
- Implementing rebalancing on a periodic basis or when otherwise appropriate.
- Taking reasonable steps to promptly communicate to the Board, any significant changes to the investment strategy.
- To the extent that the Investment Advisor is authorized by the Board, voting all proxies for the Seattle-King County Dental Society's securities.

- Recommending, analyzing the performance of, and monitoring performance benchmarks for the Portfolio.
- Preparing customized investment reports for the Board's review at quarterly meetings, that contain the information necessary for the Board to exercise its judgment and carry out its investment responsibilities prudently.
- Attending meetings in person or by telephone conference with the Board as requested, no less frequently than an annual basis.

Investment Objectives

The Seattle-King County Dental Society's investment objectives are to preserve the real purchasing power of the Portfolio while earning investment returns that are commensurate with the Seattle-King County Dental Society's risk tolerance, and consistent with its mission and goal.

Return Objective

The Seattle-King County Dental Society aims to at least preserve the real purchasing power of its assets over time by seeking returns on its investments that are in excess of the rate of inflation, the management fee of the Investment Advisor, and provide long-term (measured as a 10-Year or greater time horizon), annualized total returns in the range of 5.0-6.0%. The Board believes that this objective is consistent with a moderate level of risk and volatility.

Risk Tolerance

The Seattle-King County Dental Society seeks to control the risk of the Portfolio through diversification. However, the Board recognizes and acknowledges that a modest-to-moderate level of risk must be assumed in order to achieve the investment objectives of the Portfolio. The Seattle-King County Dental Society's ability to withstand short-term variability shall be evaluated by the Board from time to time, as shall the Society's desired risk tolerance given any future changes to return objectives.

Time Horizon

The Seattle-King County Dental Society aims to maintain its spending rate and viability in perpetuity.

Spending Policy and Liquidity Requirements

The Seattle-King County Dental Society spending policy has historically been evaluated on the previous fiscal year-end balance of Society funds, with fiscal year defined as June 1 – May 31. The amount needed for a given year will depend on the volume of assistance to be provided by the Society membership. The Society will collaborate with the Advisor to develop a spending projection for a given year.

The Board is responsible for adjusting this spending policy as necessary from time to time and is responsible for communicating changes in the spending requirements to the Investment Advisor. The Investment Advisor shall maintain a reserve of cash and/or cash equivalents to meet any requested requirements of the Seattle-King County Dental Society, and should additional cash be needed the Investment Advisor will raise said cash within a reasonable time frame of notification from the Board.

Tax Constraints
None at this time.

Legal/Regulatory Constraints
None at this time.

Unique Circumstances
None at this time.

Investment Guidelines

With respect to the Investment Objectives of the Seattle-King County Dental Society, the Portfolio taken as a whole shall be invested in a skillful, prudent and diligent manner with respect to the following:

Asset Allocation

The Board, with guidance from the Investment Advisor, will establish in writing the Seattle-King County Dental Society's asset allocation targets and ranges (including minimum and maximum allocations) for each asset class in the Portfolio. The allowable ranges within each asset class allow changes in the market value of portfolio holdings without requiring frequent and potentially unnecessary portfolio rebalancing by the Investment Advisor.

The Board will modify the asset allocation from time to time with recommendations from the Investment Advisor. The Investment Advisor will maintain an appropriate asset allocation in accordance with the investment objectives of the Seattle-King County Dental Society. No changes to the asset allocation range limits will be executed without the approval of the Board, and prior advisement from the Investment Advisor.

Please see Exhibit A for the current target asset allocation and ranges.

Diversification

The Board will seek to achieve a diversified Portfolio consistent with the risk tolerance and investment objectives of the Seattle-King County Dental Society. The Investment Advisor should adhere to the following guidelines with respect to diversification:

Equities:

- Individual holdings should not exceed 5% of the total portfolio value, as measured by current market value. If a security, due to capital appreciation, exceeds this limit, the Investment Advisor will take the appropriate steps to reduce the weighting of said holding. This restriction does not apply to investments in pooled investment vehicles.
- Diversified funds, or pooled investment vehicles, may be held in amounts not to exceed 25% of the total portfolio value, as measured by current market value.

Fixed Income:

- Individual holdings should not exceed 5% of the total portfolio value, as measured by current market value. If a security, due to capital appreciation, exceeds this limit, the Investment Advisor will take the appropriate steps to reduce the weighting of said holding. This restriction does not apply to investments in pooled investment vehicles.
- Diversified funds, or pooled investment vehicles, may be held in amounts not to exceed 25% of the total portfolio value, as measured by current market value.
- The Investment Advisor will make a determination of the creditworthiness of an issuer when the rating agencies diverge on their evaluations.

Other:

- Individual holdings should not exceed 5% of the total portfolio value, as measured by current market value. If a security, due to capital appreciation, exceeds this limit, the Investment Advisor will take the appropriate steps to reduce the weighting of said holding. This restriction does not apply to investments in pooled investment vehicles.
- On a per asset class basis (real estate, commodities, etc.) diversified funds, or pooled investment vehicles, may be held in amounts not to exceed 10% of the total portfolio value, as measured by current market value.

Portfolio Rebalancing

The Investment Advisor will rebalance periodically due to market conditions and/or liquidity requirements.

Performance Measurement

The performance of the Portfolio while managed by the Investment Advisor will be measured on an ongoing basis. While measurement of the Portfolio's investment return is an essential indicator in the evaluation of the Portfolio's performance, ongoing qualitative evaluation of the Investment Advisor is important in adhering to and achieving the investment objectives and guidelines of the Seattle-King County Dental Society.

Performance benchmarks should be used by the Board to properly measure and evaluate the success of the Investment Advisor. These benchmarks chosen by the Board, with recommendations from the Investment Advisor, should be representative of the return objectives and risk tolerance and be calculated over the same time period as the Portfolio returns with which the benchmarks are being compared. The benchmarks are intended as targets only and do not constitute a guarantee of the performance of the Portfolio.

The Investment Advisor shall prepare Portfolio performance and representative benchmark reporting for evaluation by the Board at least annually, or more frequently (such as quarterly semi-annually) as desired by the Board.

Investment Restrictions

All assets selected for the portfolio must have a readily available market value and must be readily marketable. Additionally, the Board has expressed that the following list encompasses all prohibited assets and transactions:

Private Placements
Proprietary Funds
Non-Public Listed Real Estate
Hedge Funds
Private Equity
Warrants
Annuities
Over the Counter (OTC) or Pink Sheet stocks
Purchase of any asset on margin
Short selling

Mutual funds or Exchange Traded Funds (ETFs) that engage in prohibited assets and/or transactions

Revisions

The Board will periodically review this Policy and recommend revisions as needed. During the course of such a review, the Board may consult with the Investment Advisor in regard to the performance of the Portfolio, asset allocation, general economic and market conditions, and any other information that may impact this Policy. All amendments shall be approved by a vote of the Board, shall be in writing and shall be provided to the Investment Advisor.

B. Non-Dues Income Policies

Scope of Policy: This policy governs the policies and procedures by which the Society will evaluate and accept any income that is not membership dues. This policy shall be managed by the Executive Director of the Seattle-King County Dental Society with the approval of the Executive Council and other Society Committees as noted below. Any non-dues income sources not covered by this policy—as well as any changes to the existing policy—that arise in the future will be discussed and decided upon by the Executive Council. The Council's determination may occur after receiving a recommendation from Budget and Finance, and their decision will be made while considering the Society's mission and the best interest of the Society's members.

I. Event Sponsorships

Definition: This includes the financial sponsorship of any events, either in person or virtual, offered as a benefit to the membership. Examples of events include, but are not limited to, continuing dental education (CDE); New Dentists Committee meetings; and other Committee meetings. Events may also benefit the general public (e.g., Give Kids a Smile Day, etc.).

Policy: We offer sponsorship opportunities for any event held by the Society—including New Dentists. We offer two tiers of sponsorship—one for $500 and one for $1,000. The lower level will allow for up to 2 co-sponsors at an event while the greater amount would be for sole sponsorship. Sponsors will be recognized in the pre-program publicity, introduced by the president and have a table. Sponsors will not be provided with a list of attendees, but they may solicit name and contact information during the event. Sponsors do NOT select the topic or subject matter of the meeting; the CDE topics are selected on their perceived benefit to our members. At this time, it is not our policy to make money on our programs, but, rather, use the sponsorship support to offset the cost of providing the CDE.

Process: The Executive Council will approve any prospective sponsors the first time they approach us in order to ensure the largest number of SKCDS leaders review them for possible ethical or mission conflicts. Current sponsors will not have to go through an additional approval process. Each year, when the programs are set, the Executive Director will contact any current sponsors or companies that have expressed interest in sponsoring something and share the schedule with them. Sponsorships will be awarded on a first come, first served basis.

II. Advertising

Definition: Any advertising—either on the web or in our printed publications—that promotes a business, service or product to our membership. This section also includes direct mail, email or fax advertising to our members from our membership database.

Policy: We will allow paid advertising on both our web site and in our paper Quarterly publication and annual Membership Guide. The web site will have a separate page with live links to the organizations and will contain a disclaimer stating we do not endorse these organizations. There will be a fee for advertising in both places. Advertisers will not be permitted to directly access our members for the purposes of advertising. The Society, under no circumstances, will sell our member mailing list to outside parties or to one of our members.

Process: The advertising fees shall be set annually by the Executive Director in conjunction with the editor of the Quarterly. The website advertising shall be maintained by Society staff and the publications' advertising shall be managed by the editor. If there is any question about the nature of the company wishing to advertise, the company shall be approved by the Executive Council prior to allowing them to advertise.

III. Royalty arrangements

Definition: The Society will explicitly partner with organizations to promote a product or service to the membership in exchange for royalty payments. This promotion will include access to new members (through mailings to them) as well as the company's limited use of our logo and/or statement of endorsement.

The above and below are in conflict. Endorsement or not? Question for Executive Council?

Policy: We will not formally endorse any organizations; however, we will actively promote those organizations who are approved by the Executive Council and who pay royalties to our membership. There must be a clear benefit to the membership before an organization can be approved. A royalty is payment for the use of trademarks or trade names. We will not enter into any partnership arrangements at this time unless these arrangements are part of a larger ownership initiative discussed below.

Process: An organization seeking the Society's approval must complete an application prepared by a task force and approved by the Executive Council (see attached). After receiving the completed application, all companies are carefully researched by the leadership body, the Executive Council, and the Executive Director of the Society. Professional references, as well as any additional materials determined during the review, may be required. If selected for approval/promotion, the Society will sign a three-year agreement subject to an annual evaluation by the Executive Council and with the option to renew beyond the three-year term should the product or service continue to benefit our membership. During the agreement period, leadership will regularly solicit feedback from the membership on their satisfaction with the organization; and that feedback will be part of our annual review

IV. Fee for Service

Definition: The Society will charge a fee to any dental-related organization (e.g., study club, etc.) that wishes to utilize our resources for their purposes, so long as a Society member is associated with the group. For example, if the organization wanted to rent our conference room for a meeting, we would charge a rental fee. Another example is to allow our ADA CERP and/or AGD certification to be utilized by an appropriate dental-related organization to provide CDE credits in a co-sponsorship arrangement.

Policy: The Society will not rent its facility out to an outside group as it may be perceived as a tacit endorsement of the organization utilizing the space. The Society may rent its space out to members' study clubs for a small fee. The Society will not charge a fee for providing its CERP/AGD certification in the event we are co-sponsoring a CDE program with another, non-dental entity; however, such co-sponsorship must benefit the Society's membership. We will not provide our CERP/AGD certification unless we are a co-sponsor of the CDE.

This policy as stated is in conflict with the definition of fee for service. Do we charge a fee for providing CERP/AGD credit or not--Maybe yes if non-dental entity like an accounting firm, no if a dental entity like Pierce County?

Process: If a study club wishes to utilize our facility, this request will be evaluated by the Executive Director for feasibility (e.g., impact to office, etc.). If the study club will have minimal impact, the Executive Director will bring this request to the Budget and Finance Committee for approval as well as a determination of the suggested fee. The fee will include a cost recovery portion for the building usage, and the organization—with its Society member—will be asked to sign off on any rules or procedures either dictated by the Society or the facility owners. If we are approached by a non-dental entity wishing to co-sponsor a program with us and use our CERP/AGD certification, the Program Committee will evaluate the program content and determine if there is a member benefit through the co-sponsorship.

V. Ownership

Definition: The Society owns another entity or asset that generates income. This could include property (like owning a building) or a company (like Physicians & Dentists Credit Bureau in the past) that might provide a dividend to the Society.

Policy: There is no set policy on this issue. Ownership of any asset may be an excellent long-term strategy for the Society. Any ownership decision must be made by the Executive Council and should include careful consideration of the following: alignment with mission and core ideology; membership benefit; and long-term financial commitment and impact.

Process: Any proposals vis-à-vis acquiring ownership of an asset must be approved by the Executive Council. Proposals may come to the Executive Director who will bring them to the Executive Council and/or Budget and Finance Committee for approval.

C. Promotional Relationships

Promotion Application
For the
Seattle-King County Dental Society (SKCDS)

Background: The Seattle-King County Dental Society is a 501 (c) 6 membership society of the almost 1,700 dentists and specialists practicing in King County, Washington. The average age of our membership is 49, and we are 80% male. Our average net income is $169,180/year and about 27% of our members are specialists with an average net income of $312,200/year. Approximately one-third of our membership practices on the Eastside and another third practices in downtown and North King County. The Society also has an active "new dentist" program which focuses on individuals who have been in practice for 10 or fewer years.

*This demographic information needs to be updated

Process: We take our decision to promote a particular organization very seriously. Because of the time involved, we require all parties interested in being promoted to provide a check for $5,000 as a part of the application procedure. SKCDS will not cash the check unless we decide to enter into a promotional relationship with you. If you are approved, the $5,000 acts as your first year's royalty payment.

After receiving your completed application and check, all companies are carefully researched by our leadership body, the Executive Council, and the Executive Director of the Society. Should your organization be approved by our Society, we will sign a three-year agreement subject to an annual evaluation by our Executive Council and with the option to renew beyond the three-year term should the product or service continue to benefit our membership. During the agreement period, we will regularly solicit feedback from our membership on their satisfaction with your organization; and that feedback will be part of our annual review.

Benefits: The Society promotes product and service providers to our membership. This promotion has included publicizing the organization or company on our web site and in all publications, utilizing our selected providers to put on educational workshops to our new and/or retiring dentists, including their materials in our new member packets and other promotional activities as they arise. In certain cases, we have mailed a letter informing our membership of our approval and the benefits of using them. Please see the third page of this application for the promotion levels and their accompanying benefits available.

Please address the questions on the next page as part of your application to be considered for approval and promotion by the Seattle-King County Dental Society. Feel free to provide any additional information or materials if you wish.

Promotion Application Questions

Member Benefit Questions:

1. What benefits will your organization offer our members (e.g., special discounts, etc.)?
2. What distinguishes your organization from similar entities in the same field?
3. If we were to receive a complaint from a member regarding your organization, how will we work with you to resolve it?

Promotion Level Questions:

4. Are you currently endorsed by either the ADA or WSDA?
5. For which promotional level are you interested in participating (see list on next page)?
6. What royalty are you willing to offer for promotion by SKCDS?
7. Are you willing to pay a higher royalty for exclusive approval of your industry?
8. What are your expectations of us and/or in-kind services provided as a result of our promotion of your organization?

Company Background Questions

9. How did you hear about our promotional program?
10. How long has your organization been in business?
11. What is your website address?
12. Please provide a list of long-time as well as recent customer references. Our preference is for these references to be dentists, but we understand that might not be possible.
13. Do you have a standard contract that your company uses when entering into these types of arrangements?
14. Who is the primary contact with whom we should work? Please provide both e-mail and telephone numbers.

Promotion Levels and Benefits

Platinum (exclusive promotion)

- Opportunity to offer a workshop or CDE to our membership on your area of expertise
- Special placement of your paid advertising in our Society's publications
- Opportunity to provide articles of interest in our quarterly membership magazine
- Inclusion in an annual letter to the membership promoting our approved organizations
- Inclusion on our approved organizations' web page
- Your promotional materials included in all new members packets

Gold

- Opportunity to provide articles of interest in our quarterly membership magazine
- Inclusion in an annual letter to the membership promoting our approved organizations
- Inclusion on our approved organizations' web page
- Your promotional materials included in all new members packets

V. Procedures

A. Authorized Signatures/Leadership Transition

All of the Society's financial accounts require signature cards to be on file with the appropriate organization. The cards designate who may sign checks, move funds from one account to another and/or contact the financial institution.

1. Each year, at the first meeting of the Executive Council after the election of officers, the Council shall pass a corporate resolution appointing the authorized signers. This motion shall become a part of the official minutes of the meeting.
2. Authorized signers for the Society have usually included the current President of the Society, the President-elect, the Treasurer and the Executive Director. The Immediate Past President is usually removed from the list of authorized signers at this point.
3. Even accounts where only one signature is required should have at least two signers authorized.
4. Prior to that first meeting, the Executive Director shall contact the checking account bank (currently Columbia Bank), the money market account, and the investment account firm (currently Cutler/Schwab) to obtain their required paperwork to change authorized signers.
5. Prior to that first meeting, the Executive Director shall also prepare four copies of the corporate resolution for signature by the Secretary of the Executive Council once the resolution has passed at the first meeting (see point 1 above). One copy will be sent to the checking account bank, one to the money market account, and one to the investment account and one held in reserve in case it is needed for other purposes.
6. The Executive Director also asks that any new individuals being added to the signature forms bring their Washington Driver's License to the meeting so copies may be obtained.
7. Once the paperwork has been completed and the corporate resolution signed, the director of administrative services shall make file copies and mail the appropriate forms off to the financial institutions.

VI. Other Duties as Assigned

In addition to the responsibilities outlined in Section II and III, the Treasurer and/or the Budget and Finance Committee shall have other duties and oversight as needed. These duties include, but are not limited, to:

A. Creating and issuing any request for services (RFS) needed by the Society (e.g., accounting or investment services, etc.).
    - Reviewing and interviewing respondents to RFS and making a recommendation to hire to the Executive Council.
    - Reviewing and checking references for any promotional relationship applications.

B. Reviewing, editing and approving any procedures developed by staff for financial matters and approving any new policies as assigned by the Executive Council and drafted by the staff.

C. Approving any requests for expenditures out of the capital line item on the budget (e.g., equipment replacement, etc.).

D. Approving any changes in compensation to the Central Office staff—with the exception of the Executive Director which is determined by the Executive Council—as a part of the budget development process; and,

E. Responsibilities to Other Entities: The Treasurer, working with the Executive Council, may monitor funds that pass between the Dental Society and the Seattle-King County Dental Foundation. For example, in the past, the Foundation has provided a cost reimbursement for Society's staff time spent on the Foundation's Gala. The Treasurer made sure that such reimbursement was reflected in the Society's annual budget. It is possible that the Foundation might ask the Society to act as its agent on Foundation initiatives, and it would be the responsibility of the Treasurer, working with the Executive Council and Executive Director, to ensure that all parties meet the agreed upon expectations.