

Financial Guidelines and Authorities

Gulf Coast Section, Society of Petroleum Engineers

Ultimately, responsibility for the financial health of the Gulf Coast Section resides with its Board. No group within the Gulf Coast Section has any financial authority unless and except as delegated by the Board. Board delegations must be made consistent with the Bylaws for the Gulf Coast Section.

These guidelines and authorities will treat the three main financial processes for the Section – Budgets, Financial Operations, and Investments.

Budget Process: The intent of the Budget Process is:

- to give the Board a means to manage cash flow during the year, and
- to convey Board authorization to groups of volunteers to undertake financial activities on behalf of the Section.

The number of such “financial activity” budgets is at the discretion of the Board.

Proposed financial activity budgets should be approved in July prior to the beginning of the next financial year.

Financial activity budgets should provide sufficient detail to allow the Board to fully understand the nature of the activity. This includes the source of funds and the kind and nature of anticipated expenditures. “Sufficient detail” means clarity about the envisioned program but not micro-managing by the Board.

A key component of the Gulf Coast Section’s Mission Statement is “Providing forums that afford members the opportunity to upgrade and maintain professional competence.” To advance this objective, regularly scheduled Study Group activities, such as luncheons and study group meetings, will not be expected to income for the Section, but will be expected to at least break even on revenue and expenses.

Special events such as Workshops, Conferences, and Social Events are key sources of income that allow the Gulf Coast Section to pursue other aspects of its mission, including community service; providing support for education in mathematics, science and engineering at the primary and secondary school and university levels; and promoting member activity through social activities. As such, these activities will be required to return a net income exceeding 20% of planned expenses.

All conferences, workshops, and social events will need Board approval in advance.

Once the financial activity budget is approved, the designated volunteer group is authorized to carry out the program outlined in the budget on behalf of the Board.

At budget approval, the Board may elect to include some activities as Contingent-In-Budget. Such activities will need final review by the Board before any financial activity may begin.

The sum of the financial activity budgets forms the Budget for the Gulf Coast Section. Care should be taken in assuring that the total Budget is consistent with the ongoing financial health of the Section

The Board may amend the budget at any time to provide for new or revised financial activities.

Financial Operations: It is the intent of the Financial Operations Process

- to allow volunteer groups to carry out the designated programs on behalf of the Gulf Coast Section, and
- to provide adequate or appropriate financial controls.

Volunteer groups are authorized to carry out the budgeted activities on behalf of the Board.

Further Board review of approved budgeted activities is not requested unless anticipated expenses change by more than the greater of 15% or \$15,000 over what was included in the activity budget, or unless the activities was included as Contingent-in-Budget. (We realize that actual revenues and expenses are sometimes not foreseeable until after the event. We are only concerned about significant changes in plans in advance of the activity.)

Once completed, activities such as meetings, sporting events or lunches should be reported to the Treasurer or Vice-Treasurer using the SPE GCS web based event reporting system. This system will also be used to request payment to vendors, and to post the required invoice copies. Please note that all vendor invoices should be approved by the study group or committee treasurer prior to submission to GCS Treasury using the web based event reporting system. Taxes should be removed from invoices, as SPE GCS is a non-profit organization. Tax-exempt certificates are available on the spegcs.org web site.

The Treasurer or Vice-Treasurer will authorize checks to be prepared by the SPE Office Manager consistent with invoices. (Note that the SPE Office Manager does not have authority to sign checks.)

Checks should be signed by one of the following: Treasurer, Vice-Treasurer, Chairman, or Vice-Chairman. All checks over \$2,500 must be signed by two people.

The Treasurer or Vice-Treasurer will present a monthly summary report to the Board. Detailed reports will be available on-line.

Based on the monthly reports, the Board may elect to further review individual activities.

Investments. The intent of the Investment Process is to assure that Section funds are invested wisely.

The Treasurer should prepare and maintain an Investment Policy Statement for review and approval by the Board.

The Treasurer and Vice-Treasurer will convene a Financial Board of Advisors (FBoA) to provide professional advice on investments. The FBoA has an advisory role only and is not authorized to take any action on behalf of the Board.

Changes in investments may be made with the joint concurrence of the Treasurer and Vice-Treasurer, together, provided they are consistent with the Investment Policy Statement. The Board should be kept apprised of any changes in the monthly summary reports.

Approval by the Board of these Financial Guidelines and Authorities will be deemed to convey the authorities described above.

No changes in the Section By-laws are envisioned to accommodate these Financial Guidelines and Authorities.

The Financial Guidelines and Authorities amended by vote of the Board of Directors on November 15, 2024.