

## 1) SOP 3.11 As Reads:

### FIDUCIARY RESPONSIBILITY/ACCOUNTING PROCEDURES:

- A. In order to uphold the highest standards and ensure the integrity, honesty, and reputation of the entire C.O.P.S. organization, the chapter must comply with the provisions of the *Financial Ethics & Accountability Form* (Addendum#4).
- B. Chapter Board members are required to read and commit by signing the *Financial Ethics & Accountability Form*.
- C. By August 15, each chapter will file an annual IRS return, either an IRS Form 990, an IRS Form 990-EZ or an IRS Form 990-N (e-Postcard), with the IRS.
- D. Copies of the chapter's IRS report will be forwarded to the National Chapter Liaison by July 31 each year.

## 2) SOP 3.11 As amended to read:

### FIDUCIARY RESPONSIBILITY/ACCOUNTING PROCEDURES:

- A. In order to uphold the highest standards and ensure the integrity, honesty, and reputation of the entire C.O.P.S. organization, the chapter must comply with the provisions of the *Financial Ethics & Accountability Form* (Addendum#4).
- B. Chapter Board members are required to read and commit by signing the *Financial Ethics & Accountability Form*.
- C. CHAPTER AUDIT COMMITTEE:
  - 1. Each chapter shall have a properly constituted Audit Committee.
  - 2. The Chapter Audit Committee is a committee which is responsible for oversight of the chapter's financial operations and reporting.
  - 3. It is an operating committee of the Chapter Board charged with oversight of financial reporting and disclosure. Their primary responsibility is to provide an objective and unbiased view of the chapter's practices. If necessary, the Audit Committee is empowered to acquire the consulting resources and expertise deemed necessary to perform their responsibilities with the approval of the Chapter Board. It also has oversight of regulatory compliance and risk management activities of a chapter.
  - 4. Ideally, the Committee will be composed of independent "outside" individuals (individuals not members of the chapter); however, a chapter may opt to have all chapter members or a combination of "outside" individuals and chapter members, with at least one who has a financial or accounting background or knowledge. Chapter members

selected to be on the Audit Committee **shall not be voting** members of the Chapter Board. The Audit Committee is composed of individuals working independently from all operation and operating activities of the chapter. Independence refers to both independence from operation and independence from any kind of interest involved with the day-to-day financial operations of the chapter. The Audit Committee does not have to approve every expenditure of the chapter but is in place to provide financial assistance as needed. The Audit Committee is to ensure transparency of financial matters and that the audit process is neutral by removing the conflict of interest. The Chairperson is designated by the Chapter President with approval of the Chapter Board.

5. The Committee shall be approved by the Chapter Board. Audit Committee members do not have to be survivors but should be familiar with financial reporting and/or bookkeeping. There shall be no chapter officer, **voting** Chapter Board member, or anyone associated with approving funds for any chapter expenditures on the Audit Committee. The Audit Committee is used to verify that their Chapter Officers and Board members are using the correct internal protocol for financial reporting items. In addition, the membership and/or Chapter Board will rely on this Committee to help create financial reporting procedures as well.

D. By August 15, each chapter will file an annual IRS return, either an IRS Form 990, an IRS Form 990-EZ or an IRS Form 990-N (e-Postcard), with the IRS.

E. Copies of the chapter's IRS report will be forwarded to the National Chapter Liaison by July 31 each year.

***APPROVED BY NATIONAL BOARD ON 1-31-2021 TO HAVE THE NCL SEND TO CHAPTERS FOR REVIEW/COMMENT***

### **3) Change to *Financial Ethics and Accountability* form, Financial Report and Management Practices paragraph:**

#### **As reads:**

Audit Review: We will have a properly constituted Audit Committee. The committee should consist of at least two or more members, at least one of which qualifies as a "financial specialist" (none of whom have acted as Treasurer, bookkeeper and/or any person keeping the records of entry during the year being audited). Audit Review Committee members do not have to be survivors but should be familiar with financial reporting and/or bookkeeping. The Treasurer is encouraged to be present at the committee meetings; however, as a minimum, the Treasurer must be available to answer questions and to provide any documents and records requested by the Audit Review Committee members. Our Audit Committee will report at least annually to the Board.

## **Is amended to read:**

Annual Audit Review: We will have a properly constituted Audit Committee. If an Annual Audit Review is applicable, the Audit Committee shall conduct the Annual Audit Review of the Chapter's financials. The Treasurer is encouraged to be present at the Annual Audit Review meetings; however, as a minimum, the Treasurer must be available to answer questions and to provide any documents and records requested by the Audit Committee members. Upon the completion of the Annual Audit Review, the results will be reported to the Chapter Board and to the National C.O.P.S. Office.

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