

# NATIONAL REINING HORSE ASSOCIATION

## Statement of Policy

DATE SUBMITTED	November 15, 2023	POLICY NUMBER	XX-XX-XX
DATE APPROVED	November 17, 2023	CATEGORY	Financial
DATE REVISED		DATE EFFECTIVE	November 17, 2023
SUPERSEDED BY		DATE REVIEWED	November 17, 2023

### SUMMARY

#### Discretionary Strategic Expense for the NRHA President and Commissioner

**Objective:** Provide pre-approved budgeted expense for the NRHA President and Commissioner that allows each to react quickly to issues or opportunities undiscovered during the budgeting process.

**Guidelines:** Any expenditure under this policy should meet the IRS definition of an ordinary business expense which is generally defined as follows: Business expenses are ordinary and necessary costs incurred to operate the business.

Such expenses should be customary to the industry in which the NRHA operates as well as an expense that supports the strategic plan, any current or potential NRHA program, and business development.

**Performance Expectations:** At each Board of Directors meeting, The President and the Commissioner will provide a report of any discretionary strategic expense they incurred since the previous Board meeting. Such a report can be written or verbal, but should include at a minimum:

- the business talking points
- purpose and situation analysis
- the actual or projected outcomes
- recommendations and communication strategies where appropriate
- the amount of expenditure.

**Administrative Expectations:** The NRHA President and Commissioner will each have a separate general ledger account, the funding and budgeted amount of each account approved by the NRHA Board of Directors as part of the normal NRHA budgeting process.

A separate account will provide transparency and accountability within NRHA's General and Administrative P & L and will include budget variances.

The NRHA President and Commissioner will respectively receive each other's concurrence on the planned expense before funds are committed.

If the budgeted amount for each account is met before the end of the fiscal year, a request to the Board of Directors for additional funding can be submitted for approval.