

1. FINANCIAL MANAGEMENT

FLC Financial Management will follow FLC Bylaws Article VII Financial Management. NIST, acting as the Host Agency, will collect and is responsible for the management of Consortium funds and has primary responsibility for compliance with federal finance and accounting rules. The Host Agency will maintain the overall budget within the government financial system based on the government's fiscal year. The FLC annual budget will be planned to use the federal fiscal year, from October 1 through September 30.

2. BUDGET PREPARATION AND APPROVAL

The Executive Director (ED), in conjunction with the Host Agency Representative (HAR), will develop a comprehensive annual budget covering all FLC activities. The Executive Board (EB) will review and approve the proposed annual budget at the July EB Meeting. The Executive Committee (EC) will present the approved annual budget to the Agency Representatives (AR) at next AR meeting after the July EB meeting.

Ratification of the annual budget and approval of any changes will be coordinated by the Host Agency such that the ratification of the budget represents approval by the Host Agency's Federal Project Officer for work to be performed under the Cooperative Agreement (CA).

3. AUTHORITY TO SIGN CONTRACTS

Expenditure of funds provided to the Host Agency for Consortium use shall be in accordance with the annual budget approved by the EB. Funds shall be expended or transferred in conformance with Host Agency operating procedures.

For funds transferred to the CA partner, the Consortium agrees to grant the CA partner executive or the FLC Executive Director authority to sign specific subawards involving (a) approved, budgeted expenses or (b) new, supplemental (unbudgeted) funding as authorized in writing as described in this policy without further authorization.

Any binding agreement for expenses beyond the current budget year must be approved by the Host Agency Federal Project Officer, the FLC Chair, and the FLC ED.

4. FINANCIAL RESERVES

The FLC seeks to operate with sufficient financial reserves to enable the organization to develop new programs, respond to promising opportunities, and withstand unanticipated emergencies and setbacks. As such, the FLC's goal under non-extraordinary circumstances is to maintain the organization's total unrestricted net assets at the Host Agency between 60% and 200% of its total current budgeted annual operating expenses at the Host Agency.

5. SUPPLEMENTAL FUNDING REQUESTS

The FLC will plan budgets within the normal budgeting process to the extent possible and feasible. When unbudgeted program needs are identified or there is a need to reduce financial reserves as set forth above, the following processes will be used. A flow chart of the process is included as Attachment A and a supplemental funding request form is included as Attachment B.

5.1 Supplemental Funding Requests and Approval Processes

- i. The HAR will present the amount of FLC financial reserves available for supplemental funding requests to the EB at each quarterly meeting.
- ii. Supplemental funding requests can be initiated at any time.

FLC Policy: Financial

Approved by Executive Board July 2022



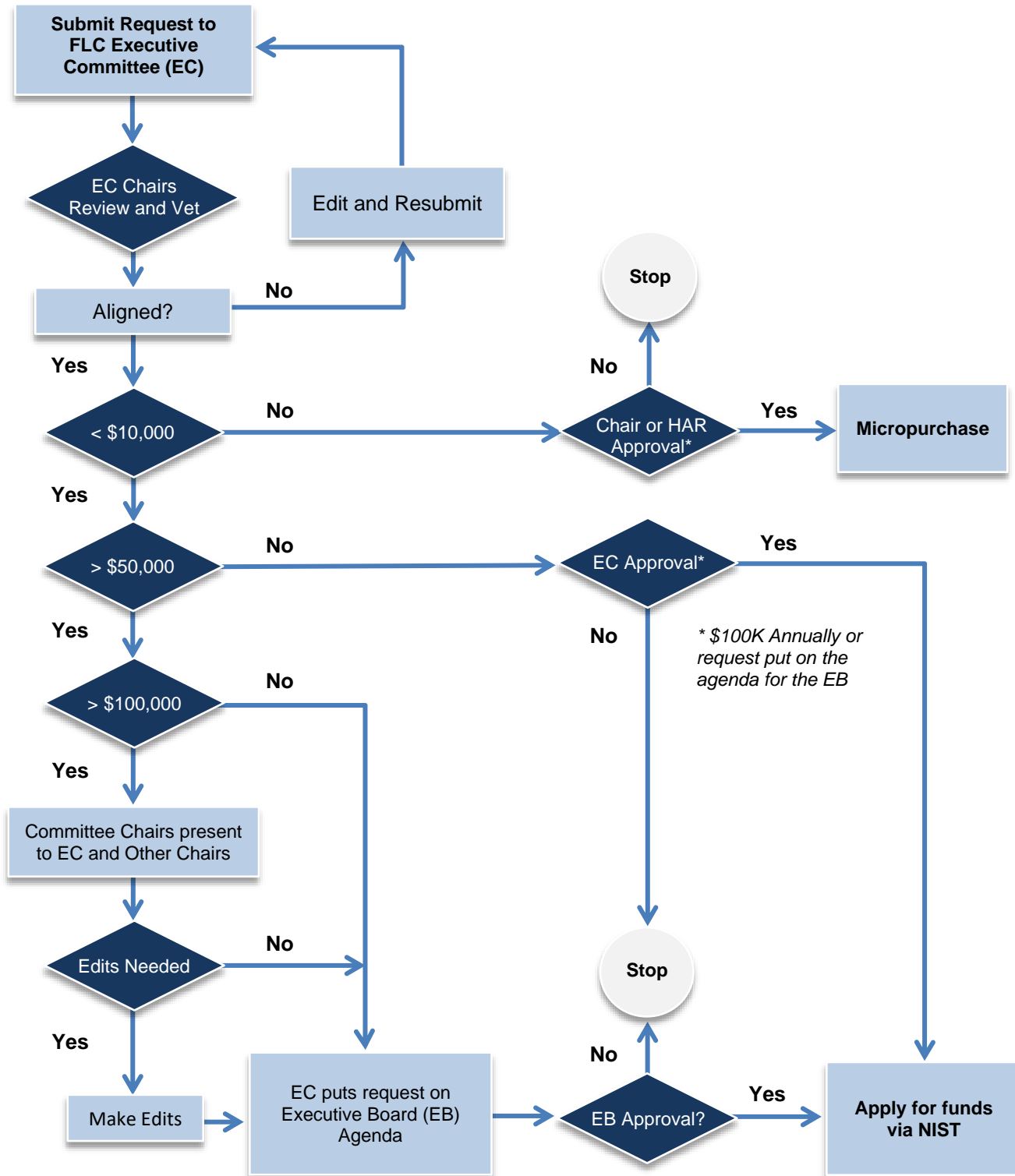
- iii. Supplemental funding requests can be initiated by any FLC EB member using the development and approval processes defined below for the amount requested.
 - iv. The EC and pillar committee Chairs will review and vet supplemental funding requests during their joint monthly call to align requests with statutory authorities, FLC goals, and current initiatives.
 - v. Approved supplemental funding requests may require a change request through the Host Agency to make the funds available to the CA partner.
- 5.2 Supplemental Funding Requests up to \$100,000
- i. All requests for unbudgeted, supplemental funding shall be submitted in writing to the EC using the Supplemental Funding Request form (Attachment B).
 - ii. Supplemental funding requests up to the Host Agency micro purchase limit (currently \$10,000), may be approved by the FLC Chair or HAR.
 - iii. Supplemental funding requests greater than the micro purchase limit and up to \$50,000 shall be approved by the EC.
 - iv. Supplemental funding requests over \$50,000 require review and approval by the EB at its next meeting.
 - v. All supplemental funding requests of \$50,000 or less each may not exceed a total of \$100,000 in a fiscal year unless approved by the EB.
- 5.3 Supplemental Funding Requests exceeding \$100,000
- i. Supplemental funding requests exceeding \$100,000 shall be initiated and developed in pillar committees.
 - ii. Each pillar committee will prepare no more than two such supplemental funding requests annually.
 - iii. Pillar committee Chairs will submit a Supplemental Funding Request Form (Attachment B) and an associated proposal to the EC.
 - iv. The pillar committee Chair will present the committee's supplemental funding request and proposal to the EC and other committee chairs at their monthly meeting for vetting and constructive feedback.
 - v. The pillar committee Chair makes any requested updates and submits the documents for inclusion in the next EB meeting.
- 5.4 Supplemental Funding Requests Requiring EB Approval
- i. Initiating EB member presents supplemental funding request and associated proposal for requests greater than \$50,000 and up to \$100,000
 - ii. Pillar committee Chair presents supplemental funding request and associated proposal for supplemental funding requests greater than \$100,000
 - iii. The EB will discuss the merits and applicability of each request and vote to approve or deny the request.
6. EXPENSE REIMBURSEMENT
- All reimbursements will follow applicable guidelines under the federal CA grant award. Whenever possible, the Host Agency will cover travel expenses and reimbursements directly. Any reimbursement by the CA partner for expenses will be documented, agreed upon in advance, and follow approved policies. These policies will be appended to the Financial Policy and provided to the EB and other participants as appropriate. The policies will be reviewed on an annual basis and may be revised by the EC from time to time.
7. CHECK SIGNING
- A policy and process for signing checks and wire transfers will be established by the CA partner. ([Policy: Check Disbursement](#)).

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FLC Financial Policy Flowchart

Attachment A



FLC Supplemental Funding Request

Submitted By *(Name of Submitter)*

Date Submitted/FY Funds Requested
(Date Submitted and Fiscal Year when funding is needed)

FLC Strategic Goal Alignment *(Identify which FLC SP goal(s) addressed)*

Request Title

Total Amount Requested
(Note dollar total and any annual distribution if a multi-year proposal)

Implementation Timeline

Statutory Authorization
(Reference from 15 USC 3710(e)(1)(A-K)):

Projected Funding Mechanism
(e.g., Contract, Grant, Cooperative Agreement, Interagency Agreement, Prize Competition, Credit Card, etc.)

Background/Purpose
(Provide any background about why the proposal is needed)

Project Description
(Briefly describe what is proposed to be done)

Performers/Partners
(Note any proposed participants with roles defined, e.g., who is doing what)

Expected Outcomes
(Tie to Strategic Goals/value proposition):