

4. SHARED GOVERNANCE: FINANCE COUNCIL

Scope

These policies describe the shared governance structure of the Institute with respect to the Governing Board and the Finance Council. These policies specifically describe the authority, role, recruitment, member selection, meetings, executive sessions, and rules of decorum and debate for the Finance Council.

Governing References

- NIGP Bylaws- Article II (Finance Council), Article III (Officers), Article IV (Councils)

General

A. Guiding Principles of the Institute's Governance

The Institute's governance is led by a Governing Board which has the ultimate responsibility for setting the organizational direction, ensuring adequate resources, and providing program oversight. It has devolved certain powers, as described in this section, to its Finance Council, its Member Council, and its Talent Council. In combination, these four bodies represent the governance of the Institute.

B. Powers and Authority

All powers and authority specifically granted to the Finance Council are devolved from the Governing Board which has the sole responsibility for adding, deleting, or modifying the Finance Council's powers in its best interest.

1. Setting direction
 - a. Establishing the financial and investment goals of the Institute; and
 - b. Determining risk assessment.

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2. Ensuring adequate resources
 - a. Determining fees and assessments within the framework of an annual budget appropriations that is recommended to the Finance Council for approval;
 - b. Determining insurance and bonding requirements; and
 - c. Selecting the investment counselor for the Institute
3. Providing program oversight
 - a. Overseeing the financial operations;
 - b. Approving requests for non-budgeted funding;
 - c. Authorizing requests to release the use of funds earmarked in designated reserve accounts by the Finance Council;
 - d. Approving the transfer of emergency funds within NIGP accounts; and
 - e. Approving the write-off of bad debt with an invoice value exceeding \$5,000.

C. Composition

1. The Finance Council shall be comprised of eleven (11) voting members who represent a mix of public procurement officials and Thought Leaders with expertise in finance, risk, investment, or related areas.
2. The Treasurer shall hold one of the eleven (11) seats as Chair.
3. Current public procurement officials shall hold the majority of seats on the Finance Council.
4. A maximum of four (4) of the Council members may be Thought Leaders with subject matter expertise in finance, risk, investment, or related areas.
 - a. By no later than November 1st preceding the expiration of a member's term on the Finance Council, the Chair of the Council shall determine whether the member is eligible for additional terms.
 - b. If the member is not eligible, the Chair shall petition his/her Council members to determine whether the seat to be vacated should be filled by a Thought Leader or public procurement official; with the understanding that the Council is limited to a maximum of four (4) Thought Leaders. This determination

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shall require an adopted motion at a duly authorized meeting of the Council; the results of which shall be communicated to the Chair of Talent Council prior to the Talent Council's announced vacancies to the NIGP membership.

D. Qualifications

1. The Talent Council shall be responsible for establishing the minimum eligibility criteria for the Finance Council candidates, subject to ratification by the Governing Board in accordance with this policy. The Talent Council may also establish additional knowledge, skills, and abilities for Finance Council candidates. Such additional credentials shall be publicly posted by NIGP to ensure transparency.
2. For all candidates:
 - a. Holds a bachelor's degree from an accredited university with a degree in finance-related field preferred; and
 - b. Has a minimum of three (3) years' experience in financial and/or budget planning with annual revenue and expenditures of at least \$4 million; experience in public sector or non-profit organizations and/or experience in accrual accounting principles preferred.
3. For public procurement professionals:
 - a. Currently employed in the public sector with direct or indirect procurement-related responsibilities;
 - b. Holds Institute membership either through a Public Agency or as an Individual; and
 - c. Holds a current professional certification that is aligned with procurement and:
 - (1) Requires, through the application process, either formal education and/or work experience; and
 - (2) Requires recertification which includes continuing education hours/credits.

E. Selection

1. Candidates may only serve either on the Board, one of the three Councils, or the NIGP Certification Commission concurrently;

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provided however, that the Chair of the Finance Council shall also serve on the Governing Board concurrently as the Institute's Treasurer in a voting capacity. The restriction on dual service for the NIGP Certification Commission is effective July 1, 2026.

2. The Talent Council shall be responsible for the on-going recruitment of potential members for the Finance Council. The Talent Council shall develop and maintain a process for recruitment that optimizes transparency, impartiality, and accessibility.
3. The Governing Board shall be responsible for appointing all members of the Finance Council including the Finance Council Chair who also serves as the Institute's Treasurer; with such decisions made during a duly conducted Governing Board meeting.
4. The selection process for the NIGP Treasurer is referenced in Section 3 (Governing Board) and in Section 4.G (Finance Council) of this Board Policy Manual.
5. By no later than the November 1st preceding the expiration of a Finance Council member's term, excluding the member who also serves as the Finance Council Chair and NIGP Treasurer, the Chair of the Talent Council shall query whether the member is interested in serving an additional term; if eligible.
6. If an incumbent is eligible for, and wishes to seek, an additional term the Talent Council shall consider this individual; with the understanding that the Talent Council is not obligated to submit this individual's candidacy to the Governing Board.
7. By no later than November 30th preceding the expiration of a Public Procurement Official's term on the Finance Council, the Talent Council shall notify NIGP members of the opportunity to submit their credentials for serving on the Finance Council. Such notification shall be prominently announced through NIGP's communications network and candidates shall be provided a minimum of twenty-one (21) calendar days to submit their candidacy.
8. By no later than the last day of March, the Talent Council shall submit a slate of candidates to the Governing Board.
 - a. For each non-incumbent Public Procurement Official vacancy, the Council shall endeavor to submit a competitive slate for each seat that will become vacant on the Finance Council on June 30th unless extenuating circumstances exist, which can be expressed to the Board.

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- (1) If filling one (1) vacancy, the slate shall offer at least two (2) candidates.
 - (2) If filling two (2) vacancies, the slate shall offer at least three (3) candidates.
 - (3) If filling three (3) vacancies, the slate shall offer at least four (4) candidates.
 - b. For each Thought Leader vacancy, the Talent Council may recommend a specific individual(s) to the Finance Council prior to approaching the candidate(s) as a means for seeking pre-approval of the Thought Leader. With the Governing Board's approval, the Talent Council is not required to bring the Thought Leader candidate back to the Governing Board for final approval.
9. The Talent Council has the option, in its best interest, to rank-order its slate of candidates when the slate is presented to the Governing Board.
 10. By no later than April 30th preceding the expiration of a Council member's term, the Governing Board shall conduct a meeting to finalize all Council appointments. The Governing Board shall only consider candidates nominated by the Talent Council.
 11. If the Governing Board cannot select from the list of candidates submitted by the Talent Council, it may reject any or all candidates and require that the Talent Council reconvene and develop a new slate of candidates for consideration. In this case, the Talent Council shall endeavor to submit a new slate of candidates at least two (2) months prior to the expiration of a Council member's term.

F. Terms

1. The term of each Finance Council member shall be for three years. Terms shall be staggered so that approximately one-third of all seats are set to expire on June 30th. This practice ensures greater continuity on the Board. New terms begin on July 1.
2. Except for the allowances provided to the Treasurer, no public procurement member shall serve more than two consecutive terms.
3. Finance Council Thought Leaders do not have term limits.
4. Service for the unexpired term of another Council member shall not count against the limit of two consecutive terms unless the service for the unexpired term was for more than twenty-four (24) months.

G. Continuity of Service for Public Procurement Officials

1. All public procurement officials in Finance Council positions are expected to fully comply with all the eligibility requirements through his/her term.
2. If a public procurement official fails to maintain one or more of the eligibility requirements during his/her term, the member shall inform the Finance Council Chair of the situation to include the date of the lost eligibility. provided, however, that if the member who lost eligibility is the Finance Council Chair, he/she shall inform the Governing Board Chair of the situation.
3. If the loss of eligibility is due to changes in employment:
 - a. Those public procurement officials who leave public service to pursue employment or other opportunities outside the public sector shall resign from the NIGP Finance Council effective the date they leave public service.
 - b. Those public procurement officials who lose their public procurement position but intend to regain employment at a public entity with direct or indirect procurement-related responsibilities within a six (6) month period may either resign his/her position on the Council or may, in his/her best interest, be allowed to re-establish all eligibility requirements within six (6) months following the date of the lost eligibility.
 - (1) Documentation in the form of an offer letter from the public entity which confirms employment shall be submitted to, and accepted by, the Finance Council Chair within the six (6) month period.
 - (2) If eligibility is not re-established and documented within the six (6) month period, either the Finance Council Chair or the NIGP Governing Board Chair shall declare that the position has been vacated and shall notify the Chair of the Talent Council that said seat is open for recruitment.
4. If the loss of eligibility is due to circumstances other than employment, documentation confirming the re-establishment of eligibility shall be submitted to, and accepted by, the Governing Board Chair within sixty (60) days after the notice of loss. If eligibility is not re-established and documented within sixty (60) days, either the Finance Council Chair or the Governing Board Chair shall

declare that the position has been vacated and shall notify the Chair of the Talent Council that said seat is open for recruitment.

H. Leadership

1. The Finance Council Chair shall serve ex-officio as the Institute's Treasurer and as a voting member of the Governing Board.

2. Eligibility

The Chair/NIGP Treasurer shall be a public procurement practitioner who holds active Institute membership as well as an active professional credential certification recognized by NIGP.

3. Selection

- a. Prior to November 1st preceding the expiration of the Treasurer's current term, the Chair of the Talent Council shall query whether this individual is interested in serving an additional term as Treasurer; if eligible.

- b. If this individual is eligible for, and wishes to seek, an additional term as Treasurer, this individual shall notify the Talent Council Chair of his/her intent to seek another term. The Talent Council Chair shall confirm eligibility and then notify the Finance Council of the individual's interest in another term. All such activities shall occur prior to the November Governing Board meeting.

- c. During the November Governing Board meeting, the Board shall decide, by majority vote, whether to appoint the Treasurer for another term, without competition, or open the nomination process to other potential candidates.

- d. If the Board determines to open the nomination process (or) if the incumbent Treasurer does not wish to seek an additional term:

- (1) The Talent Council shall notify NIGP members, by November 30th, of the opportunity to submit their credentials for serving as Treasurer of the Institute. Such notification shall be prominently announced through NIGP's communications network and candidates shall be provided a minimum of twenty-one (21) calendar days to submit their candidacy.

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- (2) The Governing Board shall elect the Treasurer (who also serves as Finance Council Chair) by no later than March 31st preceding the expiration of the term of the current Treasurer. Such an election shall occur during a duly convened meeting with a quorum present. The selection shall require a majority vote.

4. Terms

- a. The Treasurer shall serve a two-year term on July 1st. This term shall coincide with the term of the Governing Board's Chair. There shall be no limits on recurring terms provided that the Treasurer is:

- (1) Re-appointed as a regular member to the Finance Council by the Governing Board; and
- (2) Re-elected as the Treasurer by the then current members of the Governing Board.

- b. If the Chair's term as a Finance Council member expires prior to the end of his/her Chair term, it is understood that the member term shall be extended to coincide with the end of the term as Chair.

- c. If the Chair resigns his/her position as Chair before the term is completed, the Executive Committee shall meet and, by majority vote, appoint an Interim Chair. The Governing Board shall ratify the appointment during its next scheduled meeting. The Interim Chair shall serve in this capacity, with all the responsibilities assigned as Finance Council Chair and Treasurer, until such time as a new Chair can be recruited by the Talent Council and appointed by the Governing Board.

5. In its best interest, the membership of the Finance Council may appoint a Vice Chair of the Council for a period of one (1) year

- a. The expressed role of the Vice Chair shall be to conduct meetings of the Council when requested by the Chair due to the Chair's absence or desire to speak on an issue.

- b. The Vice Chair shall be appointed by a majority of the Council members present at a duly authorized meeting.

- c. The Vice Chair shall be appointed from within the Council membership and such appointment shall not extend the term of the Council member's appointment as a regular member

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- d. Nothing in policy stipulates that the Vice Chair is entitled to be elected as the future Chair of the Council and as NIGP Treasurer.

I. Vacancies

1. The Treasurer as Chair of the Finance Council shall notify the Chair of the Talent Council of a vacancy on the Finance Council within seven (7) calendar days of said vacancy.
2. The Governing Board is responsible for filling vacancies on the Finance Council.
3. The Talent Council shall be responsible for recommending a slate of candidates to fill the vacancy within sixty (60) calendar days of notification of the vacancy. When the Council is prepared to bring a slate of candidates forward to the Governing Board, the Talent Council shall endeavor to submit at least two (2) but not more than three (3) Public Procurement candidates and at least one (1) Thought Leader candidate for the vacant seat at least seven (7) days prior the Governing Board meeting.
4. The Governing Board is bound by the same process described for end-of-term vacancies, specifically:
 - a. The Board shall only consider candidates nominated by the Talent Council;
 - b. The Board has the right to reject any or all candidates and send the recruitment back to the Talent Council; and
 - c. The Board shall conduct its deliberations within the context of an official meeting where a quorum and majority vote are required.
5. Any person so appointed shall serve for the unexpired portion of the term; with no assurances that he or she will be appointed to a full term once the unexpired term is completed.

J. Finance Council Meetings

1. The Finance Council shall determine when and where to hold their regular in-person meeting(s) with the understanding that the Council shall meet each spring to review the recommended budget for the subsequent fiscal year.

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2. The Finance Council shall meet telephonically from time to time in their best interests. Such teleconferences shall be considered official meetings for the purpose of deliberating issues and taking formal actions.
3. The Institute shall, to the extent feasible, provide sufficient dollars through the budget appropriation process to cover travel-related expenses allowable under policy for members of the Finance Council.

K. Council Member Expectations

1. The members of the NIGP Finance Council are expected to attend all in-person meetings as well as all telephonic or video conferencing meetings. These expectations include:
 - a. Preparing for each meeting by carefully studying the agenda and supporting materials;
 - b. Participating effectively in the meetings and in the best interest of the Institute; and
 - c. Assuming leadership roles in all Council activities
2. Council Member Attendance
 - a. Appointed Council Members who fail to attend three (3) consecutive meetings without an excuse shall have resigned his/her position on the Council following the third consecutive absence.
 - b. To be excused from a meeting, the member is required to submit a written explanation for the absence to the Chair. A written explanation shall be provided to the Chair in advance of the meeting unless an emergency exists; in which case, the notification shall be provided no more than seven (7) days following the meeting date. The Chair shall determine whether the absence is excused or unexcused.
 - c. All excused absences shall be recorded within the official minutes of the affected meeting.
3. Meeting Notice

A notice announcing a meeting date and time shall be sent to each

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Council member by written or electronic correspondence or other electronic means at least fourteen (14) days prior to the meeting. If the Chair elects to establish a meeting calendar for the year, the announcement of said calendar shall constitute official notification of the intent to conduct a meeting. The NIGP Staff Liaison assigned to the Council by the Chief Executive Officer shall be responsible for issuing the notification for Finance Council meetings.

4. Agendas, Recommendations and Suggestions

Board packets, including staff reports, summary of recommendations and suggestions with documentation shall be distributed to the Council members at least seven (7) calendar days before each Council meeting via mail, email, fax transmission, or secured Internet posting. Copies of the aforementioned documentation shall be available upon request from the NIGP staff liaison.

5. Minutes of the Meeting

The minutes of each Council meeting shall be prepared and distributed within fifteen (15) calendar days after the meeting.

- a. The NIGP Staff Liaison assigned by the Chief Executive Officer shall be responsible for the recording of the proceedings, including any major issues and actions taken by the Finance Council.
- b. The preparation of a draft copy of the minutes shall be given to the Chair for review and approval prior to the production of a final draft copy for distribution to, and approval by, the Council members.
- c. Documentation of minutes. Minutes shall be the permanent record of the Council meeting and shall reflect a clear, accurate, brief, and objective representation of the Council's primary issues, actions, directives, and decisions. Minutes shall include the basic following items:
 - (1) The date and place of the meeting and the time when the meeting was called to order by the Chair;
 - (2) The name of the Chair;
 - (3) The names of members present, excused, and absent without notification;
 - (4) The existence or absence of a quorum;
 - (5) All rulings made by the Chair;
 - (6) All proper motions, including the name of the maker of the motion and the person who seconds the motion;

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- (7) The results of all votes taken;
- (8) The names of any person abstaining from any vote;
- (9) A list of all reports and documents introduced during the meeting (copies of these reports being attached to the official minutes); and
- (10) The time of adjournment.

The minutes may include a brief addendum showing required follow-up activities that also identifies the person responsible for the action and the date by which it will be completed.

d. Distribution of Minutes:

A summary of approved actions taken at a Council meeting shall be available to NIGP members vis-à-vis the NIGP Website.

L. Conflict of Interest

1. As a condition of service on the NIGP Finance Council, each Council member shall sign NIGP's Conflict of Interest policy, which obligates a Council member to recuse himself/herself from voting on any action brought before the Council that may bring real or perceived personal and/or financial benefit to himself/herself. This restriction does not preclude the right of the Council member to participate in the discussions leading to the vote.
2. Alleged violations of this Conflict of Interest policy shall be reported directly to the Finance Council Chair or Chair-Elect for confidential investigation and due process.
 - a. If the Finance Council Chair or Chair-Elect determines that a Council member violated this policy, the Finance Council shall conduct its investigation within an executive session to determine its course of action including any disciplinary measures.
 - b. If the Finance Council Chair is the subject of the conflict of interest, the Chair-Elect shall conduct the investigation.

M. Rules and Decorum in Debate

Pursuant to the ***NIGP Bylaws***, meetings shall be conducted in accordance with the current edition of ***Robert's Rules of Order***.

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Unless amended by two-thirds (2/3) vote of the Council members, the Council shall adhere to the following rules of debate:

1. Members shall speak no more than twice on the same subject.
2. Members shall not speak a second time until everyone interested has spoken the first time.
3. There shall be a 10-minute limit on speeches (frequently a limit of two or three minutes will be adopted).
4. The maker of the motion shall have the first right to speak.
5. All remarks shall be germane to the subject on the floor.
6. Remarks shall be addressed to and through the Chair.
7. Personal remarks shall be avoided.
8. Only one member shall have the floor at a time.
9. Members shall not speak against their own motion but may vote against them.
10. Debate shall only be stopped through the use of a motion to call for the question. This motion requires a second, is not debatable, and requires a two-thirds affirmative vote.
11. Members shall make motions in accordance with the ranking of motions identified in Robert's Rules of Order.

N. Relationship Between the Council and Staff

1. The role and responsibilities of the Finance Council is outlined in this Section of the Board Policy Manual.
2. The role and responsibilities of the Chief Executive Officer are to manage the activities of the Institute under the direction of the Governing Board and in accordance with this Section of the Finance Council Policy Manual.
3. The Chief Executive Officer shall appoint a staff liaison(s) to the Council and its Committees for the purpose of coordinating work efforts between staff resources and the Institute's respective committees.

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4. In the performance of these roles and responsibilities, the Institute recognizes both the informal relationship between the Finance Council and staff and the importance of protocol between these bodies. Accordingly, members of the Finance Council shall communicate directly with the Finance Council Chair and the Chief Executive Officer on matters affecting:
 - a. Directives to initiate or terminate specific actions
 - b. Directives involving regulations or policies
 - c. Staff disciplinary measures
 - d. Staff performance