

FISCAL POLICY

Financial Planning, Budgeting, Financial Reporting and Asset Protection

1. Background and Introduction. MNSure is a state board established by the Minnesota Insurance Marketplace Act (the “Act.”) The Board of Directors of MNSure (the “Board”) is responsible for providing diligent oversight to ensure that the organization’s financial condition is sound, that it has sufficient resources to accomplish its Purpose, and that it can effectively carry out its responsibilities as defined in the Act, and in its Charter and Bylaws. The Board is committed to ensuring that the Chief Executive Officer (the “CEO”), the Chief Financial Officer (the “CFO”), and other MNSure staff engage in sound financial planning and financial management processes.
2. Policy.
 - a. The CEO is responsible for financial planning that supports the Board’s strategic priorities, prevents financial jeopardy to the organization, and is based upon a multi-year plan.
 - b. The CEO will cause annual budgets to be prepared to guide the organization’s operations. The annual budget, which shall be based upon the State Fiscal Year, must be approved by the Board.
 - c. The CEO will cause financial reports to be produced that provide accurate information to the Board about the financial performance of MNSure.
 - d. The CEO and CFO will ensure that MNSure’s assets are protected, adequately maintained, and not unnecessarily exposed to risk.
3. Procedure.
 - a. Financial Planning.
 - i) Three-year Plan. The CEO must develop a three-year financial plan that:
 - (1) is based on critically evaluated assumptions that are provided to the Board along with an operations plan;
 - (2) provides for the resources required to operate the organization;
 - (3) contains projected income statements and balance sheets that define performance on planned initiatives and business operations.
 - ii) Board Approval. The multi-year plan must be submitted to the Board for approval.
 - b. Budgeting. The CEO must submit to the Board each year an annual budget that:
 - i) contains a credible projection of revenues and expenses for the coming year;
 - ii) separately delineates capital expenditures from operational (expense) items;



- iii) discloses the material assumptions upon which the budget is based.
- c. Financial Reporting.
 - i) Quarterly Reports. The CFO will present quarterly financial reports:
 - (1) to the Board regarding:
 - (a) Premium withhold revenue
 - (b) Effectuation and average premium information
 - (2) To the Finance Work Group regarding the status of, and to be brought to the full Board at the Work Group's discretion or if any action is required:
 - (a) Asset report
 - (b) Balance sheet
 - (c) Income statement
 - (d) Cash-flow report
- d. Asset Protection.
 - i) The CFO will ensure that MNsure maintains an written inventory of all physical assets and supplies, and updates the same periodically through a physical inventory;
 - ii) The CEO will ensure that MNsure's assets and operations are secure and protected from theft, casualty and liability losses to the same extent as comparable agencies;
 - iii) The CEO will cause MNsure to protect its intellectual property, information and files from loss, significant damage or inappropriate access;
 - iv) The CEO and CFO will not authorize the sale or other disposition of MNsure's capital assets or intellectual property valued in excess of \$100,000 without prior Board approval.
- e. Contracts.
 - i) All contracts are executed in accordance with applicable procurement requirements and the delegated authority limits laid out in the MNsure Board of Director's Delegation of Authority & Authority Limits Policy.
 - ii) All MNsure staff are bound by MNsure's administrative Code of Conduct Policy, in particular its requirement that, "MNsure employees must report any information indicating possible theft, embezzlement, unlawful use, abuse, or waste of public funds or property, ethical violations, or other illegal activities. MNsure Employees may make this report in person to the Compliance and Program Integrity Manager or by email to mnsurecompliancehotline@mnsure.org. Additionally, MNsure Employees may file a report anonymously by telephone at 1-844-466-7873. The Compliance and Program Integrity Manager will further report such information, as required by law, to the Office of the Legislative Auditor or



other oversight entities.” This requirement includes any and all evidence of violation of a contract and/or fraud.

BOARD CHAIR APPROVAL

Date 7/20/16 Signature Peter Server