

SME Senior Chapter Treasurer Roles & Responsibilities

Job Description

As the chapter's financial officer and advisor, you have been entrusted with the tasks of maintaining the chapter's financial records, and with the receiving, holding and disbursing of chapter funds. The treasurer's job is extremely important. The treasurer's records leave permanent, legible documentation for future treasurers to follow, and his or her diligent financial management improves the earnings and savings habits of fellow members . . . simultaneously maximizing the chapter's financial resources.

Responsibilities

- Participate in discussion and action on all chapter business that involves financial transactions or affects the chapter's financial position
- Assess the financial implications of actions proposed by the chapter Executive Committee
- Receive, hold and safeguard all chapter and/or Society funds
- Disburse such funds only to conduct approved chapter business, unless SME's Board of Directors directs otherwise
- Establish a Budget Committee to help you prepare budgets. Compare actual income and expenses to budgeted amounts, monthly
- Prepare monthly financial reports for presentation to the Executive Committee and membership
- Record all transactions and reconcile all bank statements
- Complete and submit an Annual Financial Report to the chapter's Membership Consultant and to SME Headquarters
- Coordinate annual audits through the SME chapter audit committee; use an independent auditing firm if your chapter has a substantial - more than \$10,000 - average bank balance

Reports For Which You Are Responsible

Name	Purpose	Due Date
Monthly Financial Report	The monthly financial report is completed as needed by your chapter and includes a summary of chapter income, expenses, accounts payable, accounts receivable and assets.	Monthly, no later than 2 -3 weeks into the following month.
Annual Financial Report	The annual financial report includes detailed information reflecting all chapter income, expenses and assets January 1 through December 31. Income and expense accounts should be broken down into categories that offer reviewers a comprehensive glimpse at the year's financial activities. The report's accuracy is critical to establishing budgets for future years. Unless your chapter prefers to file its own tax return, this report is used by SME Headquarters to create a consolidated tax return for all chapters.	January 31, annually
Chapter Budget	Submitted to the chapter Executive Committee for approval each year, the budget assists in ensuring the efficiency of chapter operations.	Updated annually, as needed
IRS Forms	If your chapter elects not to be included in SME's consolidated filing, the treasurer is responsible for filing IRS forms as required by the IRS.	Annually, if needed

Getting the Job Done: Tips and Details for Your Reference

Quick Tips

- On your first day as Treasurer, go to the bank with the former treasurer to transfer signing rights and responsibilities by completing new signature cards
- Remember that SME is a nonprofit organization, which means it is exempt from taxation under Section 501(c)(6) of the Internal Revenue Code
 - SME's tax-exempt status will be lost if the money it receives is used to benefit any individual member. Therefore, no chapter should use its money with the intent of helping a certain member, or members, personally profit
- Involve as many people as you can on your Budget Committee. You'll benefit from their input, train people for taking over your job and be able to delegate effectively for the utmost success
- Make reporting easier by creating a "paper trail" for every expense of the chapter. File everything, from original receipts to expense reports to copies of checks
- Report on the financial health of the chapter at every chapter meeting and after every audit
- Deposit all income into the chapter bank account as soon after receipt as possible
- Be sure to collect and file receipts for all expenditures
- When spending money, live by two rules: pay by check and use two signatures (for setting up bank accounts, too). See "Money: When You Spend It," on page three
- Have the SME Audit Committee assess the books quarterly, making certain your final records are available within 15 days of the close of each quarter
- Work to match the chapter's expenses to its income while allowing the chapter adequate (but not excessive) savings to fall back on. Stick to this approach and you will help your members feel confident that their chapter is serving them well and is in capable hands

Chapters are encouraged to gain revenue through fundraising activities then to utilize these proceeds to finance the development of high-quality events, information, learning opportunities, and other benefits for its members, as well as on recruitment activities that will help the chapter grow. As mentioned above, the Treasurer's goal should be to expend on its current and potential members, almost as much as it receives in income.

Money: How to Get It

SME chapters have a number of funding sources, from sales of advertising space in their chapter bulletins, to attendance fees at their events, to fundraising activities, to supplemental per-member funding from SME Headquarters.

SME Headquarters supplements chapter income by issuing funding authorization (check or wire transfers) to each chapter treasurer quarterly. Included with second quarter funding is a base payment, described in section 4.2 of the SME [Governance document](#).

Funding from SME Headquarters is contingent upon the chapter's fulfillment of a number of requirements.

In order for Senior chapters to receive funding they must:

- Submit Chapter Officer Listing form by December 15th.
- Submit Annual Chapter Financial Report by January 31st.
- Submit Chapter Planning and Assessment Guide by January 31st.

Once these requirements are met, **on time**, senior chapter funding monies will be disbursed. The new model allows funding to be distributed contingent on retention of members during the preceding six-month timeframe thereby allowing for semi-annual payouts. Timeframes to be used are October through March and April through September. For qualifying chapters, payments will be mailed at the end of April and October. The membership numbers used for payout will be the ending number of members recorded in the SME database during the said period. If your chapter merges with another chapter during this six-month time period, the highest number of members will be used to determine your retention percentage.

New Semi-Annual Payout to the Senior Chapter Model

Retention Rate for Chapter	Payout per Member
95%+	\$4.00
90-94.9%	\$3.00
85-89.9%	\$2.00
80-84.9%	\$1.00
<80%	\$0.00

Please place these funds - and any received at chapter meetings or events, or from advertising - in the chapter bank account

immediately, always recording the income and its source.

Money: Where to Keep It

Each chapter should have a checking account and it is incumbent upon the treasurer to maintain a balance large enough to operate the chapter for at least six months. All excess funds should be deposited in a money market or savings account. Both of these bank accounts should be held within the same bank, making the transfer of funds from one account to the other - or from the old to the new treasurer - easy and convenient.

Money: When You Spend It

You should, as a rule, collect and file receipts and invoices for all purchases. If, for some reason, receipts are unavailable, be sure to record all transactions and note their purposes and amounts.

When disbursing money, be sure you have proper documentation (invoices) and that you have all necessary approvals. Issue checks whenever possible, using the chapter's petty cash reserves only for incidental expenses.

All check cashing and bank account transactions should require two signatures - the treasurer's and the chair's (or chair-elect's).

When recording chapter expenditures, be very specific. For example, if you receive cash at a chapter meeting, record it as "meeting income." If you use that cash to pay the facility where the meeting was held, obtain a receipt and record the expenditure as a "meeting expense." These specific details will help you prepare your monthly reports and future budgets.

Always create a "paper trail." This is easy if you use a "Request for Payment" or expense form that must be filled out each time a check is written. The form should include the person/organization to whom the payment is being made, the reason for the disbursement, the date of the expense, and the amount. There should be a place for three signatures: the person requesting the payment, the chair (or chair-elect) and the treasurer.

As a rule, original receipts should be attached to the "Request For Payment" before it is presented to the treasurer for disbursement of funds. This method makes record-keeping and monthly and annual reporting easier for the treasurer.

Budgets: Total Income, Total Expense

Budgeting allows you and other chapter officials to determine what you want to accomplish - and what you can accomplish - in the coming year. Prepare your budget with input from all chapter officials. It is generally expected that you will begin with the previous year's budget, making changes and adjustments as needed. If your chapter has never had a formal annual budget, begin by listing all of your expected income. Include projected advertising revenue and event/conference income, money you expect to collect during fundraising events, etc., and anticipated payments from SME Headquarters. Next, go through the checkbook or previous treasurer's reports and list each expense in an appropriate category (Membership, Recruitment, Newsletter/Bulletin, etc.). Your list should be comprehensive and include:

- Bulletin: A major chapter expense, the major portions of which are printing and postage costs
- Miscellaneous postage: Generally, this remains the same from year to year
- Estimated travel expenses: Generally, both airfare and automobile travel expenses increase each year to allow for a contingency
- Chapter business and social activities: Include the costs of dinners, audio-visual rentals, speaker fees, speaker travel, meeting room rental, ticket printing, golf outing greens fees, entertainment, etc.

It's also a good idea to ask other officers for estimates of their committee expenses.

A good budget will show total income and total expenses as equal, with a cushion for some contingency savings.

Charitable Donations: Documenting, Recording and Reporting Per IRS Requirements

Chapters making cash or in-kind donations are guided by the Member Unit Donations rules per the Bylaws, Article 39 Section 8.

Nonprofit organizations must provide donors of \$250 or more with an acknowledgement that will enable them to receive a charitable contribution deduction when calculating their tax payments.

The acknowledgement must include:

- The amount of cash and a description (but not the value) of any property other than cash contributed,
- Whether the chapter provided any goods or services in exchange for the property donated,
- A description and good-faith estimate of the value of any goods or services provided by the chapter in exchange for the

contribution, if applicable (see Quid Pro Quo contributions, below).

Quid Pro Quo Contributions:

All SME chapters must provide a written disclosure statement to each donor of a quid pro quo contribution in excess of \$75. A quid pro quo contribution is a payment made to a charity by a donor partly as a contribution and partly for goods or services provided by the charity.

For example, if a member donates \$100 for a fund-raising dinner dance, and receives a dinner valued at \$40, the member has made a quid pro quo contribution.

In this example, the charitable contribution portion of the payment is \$60. Even though the part of the payment available for deduction does not exceed \$75, a disclosure statement must be filed because the donor's actual payment (quid pro quo contribution) exceeds \$75.

In this case, the required written disclosure statement must:

1. Inform the donor that the amount of the contribution that is deductible for federal income tax purposes is limited to the excess of any money (and the value of any property other than money) contributed by the donor over the value of goods or services provided by the charity, and
2. Provide the donor with a good -faith estimate of the value of the goods or services that the donor received.

If your chapter includes this information when it solicits the donation, it will not be necessary to provide another statement when the contribution is actually received.

Exercise care in preparing and issuing these statements. Knowingly providing a false written substantiation to a donor may be subject to IRS penalties. It may be considered aiding and abetting an understatement of tax liability.

Auditing: Procedures, Practices and Tips

The purpose of an audit is to examine and verify the accounting of the chapter's funds and to make certain that the books are in good order for the incoming treasurer. While SME Headquarters may periodically audit chapter financial records, audits are generally the responsibility of each chapter and/or its agents.

SME urges chapters to audit their own financial records at least once a year; quarterly audits are recommended. If your chapter has established and followed procedures for the receipt and disbursement of funds - and documentation of such - the process will be relatively simple.

If, in the course of your audit, you find that documentation is missing or that proper care has not been taken to minimize the potential misuse of chapter funds, your Audit Committee should recommend procedures to correct any deficiencies in the system.

Conducting an Audit:

Reviewing general cash, cash disbursements & cash receipts is easy if you (and the Chapter Audit Committee) follow this checklist.

1. **General Cash** - Obtain December 31 Bank Statement and Reconciliation and:
 - Review it for any unusual or significant reconciliation issues
 - Reconcile the balance on the books with the chapter checkbook; ensure that they agree
 - Trace items listed as deposits-in-transit and outstanding checks on to the January bank statement, noting that they were recorded by the bank in the early part of January
 - Trace outstanding deposits and checks to the cash receipts and disbursements journals, noting they were recorded in the proper period
 - Review petty cash disbursements and reimbursements. The dollar amounts should be relatively small and reimbursements to the petty cash fund should approximate amounts actually disbursed.
 - Ensure adequate documentation is available to support all disbursements
 - Obtain the cash disbursements and cash receipts journals, and review for completeness and timeliness of recording activity
2. **Cash Disbursements** - Obtain the canceled checks for the entire year and:
 - Examine payee and amount
 - If any "unusual" payees are noted (i.e., cash or treasurer), examine supporting documentation such as receipts or invoices to clarify the integrity of the transaction

- Examine endorsements to ensure they are the same as the payee
- Closely review any second endorsements
- Review numerical sequence of checks and account for any missing checks
- Do a quality check to match date, payee, check number and amount to information recorded in the cash disbursements journal (check register)
- Compare total cash disbursements per journal to expenses reported on your chapter's Annual Financial Report, confirming that the amounts are reasonable

3. **Cash Receipts** - Refer to the chapter balance included on the statement sent to your treasurer by SME Headquarters to:

- Trace the quarterly funding amounts to the bank statement for the applicable months, noting that there were timely deposits
 - If the deposit contains several items, match the chapter dues to the copy of the deposit slip and then match the total per the deposit slip to the bank statement
- Reivew the monthly meeting or activity statements, noting the following:
 - Confirm that the number of people indicated as being present at the meeting appears reasonable. For instance, if there were approximately 50 people at a meeting, but only 10 are recorded on the statement, it should be investigated further.
 - Note whether meeting expenses are reasonable
 - Trace deposits from meeting statements to the applicable month's bank statement and cash receipts journal
- Obtain copies of the monthly bulletin and select several advertisements. Obtain the advertiser file and:
 - Ascertain that the charges are proper for the type of ad, length of time run, etc.
 - Trace the customer's payment to the cash receipts journal and to the bank statement
- Compare total receipts per cash receipts journal to total income reported on your chapter's Annual Financial Report, to confirm that the amounts are reasonable