Chapter Finance Department

Presented by Chapter Business Manager

Date

MPI

MEETING PROFESSIONALS INTERNATIONAL
Today’s Objectives

Overview of Topics:
• Highlight the Chapter Finance Department and review the team responsibilities
• Expand your knowledge of how to be successful during your time on the Board
• Examine the tools and resources available to you
What does success look like for the Chapter Finance Department?

Success Can Be Achieved by Doing the Following:

• Ensuring board members are accountable for their own budgets, and question them regarding revenues and expenses
• No money is spent without your approval
• Avoid conflicts of interest
• This position requires an active, concerted effort to be engaged and ready to make informed decisions
What responsibilities does the Finance team have toward the chapter to ensure success?

• Accounting & Banking Procedures
• Financial Reporting
• Budgeting
• Tax Issues
• Fiduciary Responsibilities
• Insurance Issues
• Reserves & Investments
Best way to control the money going in and out of the chapter?

• 2 signatures on all checks or wires
• Bank reconciliations performed by people that don’t have access to the chapter’s money
• Annual financial reports reviewed by a third party not attached to the chapter
• Board motions to be made for requesting funds
Accounting Best Practices

• Invoices from suppliers
• Check requests with signatures
• Account codes
• Highlight bank reconciliations immediately
• Dual signatures on all checks written, and make sure to change authorization signatures with new chapter leaders
When Should Monthly Financials Be Completed?

• Prior monthly financials should be ready by the 5th business day of the next month
• Lack of timely financials creates risk
• Forecasting in the middle of the month will help to review potential areas of concern
What type of financial statements should be shared with the Board?

- Balance Sheet
- Statement of Activity (Profit & Loss Statement; Income Statement)
- Information should be shared monthly with the Board and reviewed at Board Meetings
When should budgeting take place and how should you start the process?

• Integrated with the business plan, so the process should start well in advance of the year-end board retreat

• Start with a zero budget, not prior year totals

• Recognize cash sponsorship as revenue, and understand the impact of in-kind sponsorship

• Create a stop doing list of processes or scenarios that have not worked in the past
What are some simple examples of revenue generation?

• Sponsorships/Partnerships
• Fundraising/Special Events
• Education/Networking Programs
• Auctions & Raffles
• Advertising on your chapter website or e-newsletter
What tax forms do I need to be aware of?

- Gross receipts ≤ $50K – 990N
- Gross receipts < $200K; total assets < $500K – 990EZ
- Gross receipts more than $200K and total assets more than $500K – 990
- Only applies to US chapters
- Deadline to submit is November 15th, 2015
- International chapters should follow their own countries tax requirements
How to handle reserves & investments?

• A chapter should be working towards a minimum of 1 year in operating revenues set aside
• Investments should have a low risk, should be managed through a professional organization like a bank
• Your board should have a policy on how it handles its investments
Where Can I Find Additional Resources for Finance?

Your Chapter Business Manager (CBM) is here to help YOU!

- Chapter Leader Resource Page (CLRP)
- Peer Role Leaders at Other Chapters – you’re each other’s greatest resource!
- Attending Chapter Business Summit (CBS) in April 2016
- Attending World Education Congress (WEC)/Chapter Leader Forum (CLF) in August
How will You Succeed?

By Hitting the Ground Running!

• Transition! Work with your predecessor to ensure you understand your position, your responsibilities, and the dynamics of your committee – filling the roles with volunteers who will help you meet those needs

• Have fun! If you’re not having fun, are you in the right role?