# CONTENTS

Personnel................................................................. 1
  Qualifications of the chapter treasurer................................. 1
  Responsibilities of the chapter treasurer............................. 1
  Assistant treasurer......................................................... 2
  Chapter finance committee............................................... 2
  Who can help........................................................................ 2

Chapter bank accounts....................................................... 3
  Checking accounts........................................................... 3
  Savings accounts.............................................................. 3
  School accounts............................................................... 4
  Writing a check................................................................. 4
  Making a deposit............................................................... 5
  Check register................................................................. 5
  Reconciling the statement................................................... 6
  Maintaining bank records.................................................. 7

National policies, obligations and privileges.......................... 8
  Initiation fee........................................................................ 8
  Per capita tax....................................................................... 8
  Corporate liability protection fee......................................... 9
  Convocations tax.............................................................. 9
  Returned checks................................................................... 9
  Travel reimbursement....................................................... 9
  Refunds............................................................................... 9

Record keeping .................................................................... 10
  Supplies.............................................................................. 10
  Journal sheet....................................................................... 10
  Ledger sheet....................................................................... 11
  Billing Statements............................................................ 12
  Receipts............................................................................. 12
  Files.................................................................................... 13

Treasurer’s reports .............................................................. 14
  To Lyrecrest....................................................................... 14
  To the province governor.................................................. 14
  To the faculty advisor....................................................... 14
  To the chapter..................................................................... 15

Chapter budgets .................................................................... 17
  Determining operating expenses......................................... 17
  Determining operating income............................................ 18
  Presenting the budget to the chapter................................... 19
  Controlling the budget...................................................... 21
  Year end budget summary................................................... 22
  Assessments................................................................. 23
  Special projects............................................................ 23
PERSONNEL
The National Constitution requires each chapter to elect a treasurer or secretary-treasurer. If possible, the treasurer should have been a member for at least one year prior to his election so that he is familiar with chapter operations.

QUALIFICATIONS OF THE CHAPTER TREASURER
- Honesty
- Willingness to accept responsibility
- Dependability - desire to follow through on a job
- Ability to plan and organize work
- Initiative and resourcefulness
- Willingness to seek advice
- Ability to accept criticism
- Confidence
- Practicality
- Cost consciousness
- Ability to work well with others
- Time to execute responsibilities thoroughly
- Knowledge of chapter activities
- Dedication to the chapter and the Fraternity

RESPONSIBILITIES OF THE CHAPTER TREASURER
The treasurer is personally responsible for all fraternity money in his possession. In addition, he must:
- Serve on chapter executive committee
- Prepare a yearly budget
- Send bills
- Collect money due (also, devise and enforce chapter collection procedures for delinquent accounts)
- Pay accounts payable
- Keep accurate records
  - cash receipts and disbursements
  - individual member journals
- Report chapter’s financial position
  - to the chapter
  - to the faculty advisor
  - to the province governor and national headquarters
  (during official visits and on chapter operational reports)
- Keep records of disbursements
- Issue receipts for money collected
- Maintain chapter checking and/or savings accounts with bank or appropriate school official
- Work with committee and project chairmen to establish – and stick to – budgets
ASSISTANT TREASURER
It is recommended that an assistant treasurer be appointed by the chapter executive committee. He should have at least one more year of school after his term as assistant. He should meet the same qualifications as the chapter treasurer and should assist in the execution of all duties and responsibilities of that office. The most important responsibility of the assistant treasurer is to train for his succession to the office of treasurer. In addition, he should be available to collect dues and fees in the absence of the treasurer and may chair or serve on all committees for special fundraising activities.

CHAPTER FINANCE COMMITTEE
Larger chapters may find a finance committee beneficial in developing and executing programs and policies. In addition to the treasurer and his assistant, the committee might consist of three chapter members (one from each academic class) and the faculty advisor. Chapters with interested alumni living in the area could appoint an alumnus to this committee as “financial advisor.” The finance committee should work with the treasurer to prepare a chapter budget and to determine procedures for collecting dues. This committee might also organize fundraising activities. A separate committee, appointed by the president and faculty advisor, or an outside accountant should conduct the yearly audit of chapter financial records.

WHO CAN HELP
Even the best and most efficient chapters have financial problems once in a while. There are many people who can help the treasurer solve these problems or offer advice and suggestions on how to improve the chapter’s management of its funds. By seeking the advice of more experienced people, the chapter can make better use of its money and also avoid serious difficulties.

Below is a list of people that can help:
- faculty advisor
- alumni
- province governor
- national staff
- school student activities director
- school financial aid officer
- school bursar
- bank personnel
CHAPTER BANK ACCOUNTS
Each chapter, regardless of the amount of money in its treasury, needs a bank account. Some schools require that all student organizations deposit money in school-operated accounts. Most chapters, however, will need to open an account with a local bank. **Chapter money should never be deposited in members’ personal accounts.** For accurate records, pay all bills by check and consider opening separate accounts for different areas of operation, such as one for national dues and one for general chapter expenses.

CHAPTER CHECKING ACCOUNTS
To open a chapter checking account:

1. Investigate the services provided. Some banks do not charge fees for check writing to student organizations; others may charge per check. In many cases, though, it may be worth the nominal service charge to take advantage of other services and conveniences provided by the bank. Be sure to select a bank that is conveniently located.

2. Order numbered checks personalized with the chapter and school name. There may be a charge for personalized checks, but the time saved in not having to hand-write the information each time will be worth it. It is not a requirement that checks are ordered from the bank where the account is opened. There are many online companies that offer significant discounts on checks.

3. The bank will ask the treasurer to sign a signature card and will process checks with the proper signature only. Chapters should require joint signatures on all checks — the president or faculty advisor should be the co-signer. Remember to sign a new signature card each time a new treasurer and/or faculty advisor takes office. If using an off-campus account, make sure this is completed before the outgoing treasurer/president leaves campus. Many chapter checks are returned to the national headquarters because they carry unauthorized signatures.

4. The bank will also require a tax identification number (See page 36 for more details.)

CHAPTER SAVINGS ACCOUNTS
Consider opening a passbook savings account when saving toward a long-term goal. Some chapters keep such a savings account with a balance equal to two per capita and convocations taxes to handle unexpected expenses. This is an excellent practice!

A high interest account may be appropriate for handling funds related to ongoing projects such as a scholarship fund. The financial aid officer at the school or bank personnel can offer the best advice for making the chapter’s money grow.
SCHOOL ACCOUNTS
Chapter treasurers still have the responsibility of keeping accurate records even if all funds are deposited in school accounts. The school official may pay all the bills, but he will require a voucher or requisition before issuing payment. The treasurer should keep a close watch on the school account to make sure all bills are paid promptly and in full. In addition, the treasurer should ask for periodic statements of the chapter's account. If that service is not provided, the treasurer and his assistant should go to the office monthly and examine the chapter account records in person.

WRITING A CHECK

Pay to the Order of Phi Mu Alpha Sinfonia $ 834.00
Eight Hundred Thirty Four Dollars and no / 100 DOLLARS

MoneyInstructor.com Bank
1221 Main Street
Anywhere, US 10001

John Smith, Treasurer

FOR Beta Beta Chapter Fall 2004
Joe Sinfonia, President

*74894934* 6793868122* 0101*

Remember to:
1. Write legibly.
2. Fill in “memo” (or “for”) line.
3. Sign the check.
4. Date the check.
5. Make sure number and written amounts agree.
6. Enter in check register and ledger.
MAKING A DEPOSIT

1. Each check to be deposited should be endorsed “For Deposit Only—(chapter name)—Phi Mu Alpha Sinfonia Fraternity” and signed by the treasurer. Banks may furnish rubber stamps for this purpose. Stamp checks immediately upon receipt so they are non-negotiable.

2. Make frequent deposits, especially after each meeting when money is collected.

3. Enter deposit in check register and ledger.

4. Save deposit receipts and use them to verify bank statements.

CHECK REGISTER

<table>
<thead>
<tr>
<th>CHECK NUMBER</th>
<th>DATE</th>
<th>DESCRIPTION OF TRANSACTION</th>
<th>PAYMENT/DEBIT (+)</th>
<th>FEE (+)</th>
<th>DEPOSIT/CREDIT (+)</th>
<th>BALANCE</th>
</tr>
</thead>
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<tr>
<td>DEP</td>
<td>9/23</td>
<td>Does Deposit</td>
<td>200 00</td>
<td></td>
<td>200 00</td>
<td>890 00</td>
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<td></td>
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<td></td>
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<td>1026</td>
<td>9/24</td>
<td>Province 99</td>
<td>60 00</td>
<td></td>
<td>60 00</td>
<td>1030 00</td>
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</tr>
<tr>
<td>1027</td>
<td>9/24</td>
<td>Phi Mu Alpha Sinfonia</td>
<td>834 00</td>
<td></td>
<td>834 00</td>
<td>196 00</td>
</tr>
</tbody>
</table>

1. Enter deposits and checks in check register as they are made out.

2. Add deposits and subtract checks at the time they are entered in register.

3. Double-check the arithmetic with a calculator.
RECONCILING THE STATEMENT (BALANCING THE ACCOUNT)
Each month the chapter will receive a statement from the bank. The treasurer should immediately check this statement to make sure that the bank’s figures agree with what is shown in the chapter checkbook. Most banks require that any errors or corrections be reported to their bookkeeping department within 10 days of the statement date. The front of the statement will show those checks and deposits which have cleared the bank during the month. It will also list any service or bank charges which may have been charged against the account. Using the column marked “_” in your register, check off all deposits or withdrawals that appear on the front of the statement. Checks are usually listed in numerical or date order and all other transactions are listed by date. Remember to enter in your register any automatic deposits or withdrawals and any credits (include interest if shown on front) or charges that you have not yet recorded. On the back of the statement will be a form and instructions for reconciling the statement.

Sample Account Balancing Form
The procedure outlined below may be helpful:

1. If the bank returns copies of your deposit slips, put them in date order. If not, use the list on your statement. In the check register, check off those which are returned or reported on the statement.

2. If the bank returns your cancelled checks, put the checks in numerical order. If not, use the list on your statement. In the check register, check off those which are returned or reported on the statement.

3. List any deposits made but not returned with the statement. Total the amounts.

4. List any outstanding checks (checks written but not returned with the statement). Total the amounts.

5. To the balance shown on the statement, add the total of the deposits not returned; then subtract the total of the outstanding checks.

6. The resulting total should equal the balance shown in the checkbook after deducting from that balance any bank charges (be sure to deduct these from the check register, too).

7. The balance shown on the statement does not represent the amount of money the chapter has in the bank. Remember that the outstanding checks could clear the bank at any time. Always use the balance shown in the checkbook to determine the amount of money the chapter has.

**MAINTAINING BANK RECORDS**

Treasurers should fasten the cancelled checks, deposit slips, and bank statement for a given month together with a rubber band. They can be filed in a clearly marked shoe box or in a commercially made check file, putting the most recent month’s records in front. Bank statements and cancelled checks should be saved for seven years. These records can be referred to any time there is a question concerning when or if a bill was paid or a payment received.

Bank records are the property of the chapter – NOT the treasurer. Any member has the right to examine these records at any time. Bank records should be kept in a general location – perhaps in the chapter room or ritual storage cabinet. Bank records should not be kept with the personal belongings of the treasurer or any other officer. Chapters have the right to take legal action against any treasurer who leaves school with the chapter’s bank records.
NATIONAL POLICIES, OBLIGATIONS AND PRIVILEGES

INITIATION FEE
All packages $117.00

For each new initiate, the treasurer must send to the national headquarters the $117.00 initiation fee two weeks before the initiation. Send the check with the membership cards and initiation report. For honorary members, the initiation fee is also $117.00. However, you must check the column on the Initiation Report Form that designates the initiation as being for an honorary. Also, don’t forget to fill out the Honorary Application Form and send it to your province governor for approval at least one month prior to the initiation in order for it to be filed with the national headquarters two weeks before the initiation.

*Faculty initiates - Faculty members are initiated following the same procedure and paying the same amount as collegiate members. Chapters can choose to pay the faculty member’s initiation fee if they wish. On the next personnel report, these members should be transferred to alumni status. Honorary memberships should be reserved for the purposes as stated in the Guide to Awards.

Initiations will NOT be processed unless they have been paid for in advance. A check for the total initiation fees must be received before any insignia is sent or any new member is registered. Failure to file all paperwork, including payment, prior to an initiation could result in disciplinary action for the chapter.

PER CAPITA TAX
Due November 1st $60.00 per member
Due March 1st $60.00 per member

Send the check for per capita tax with the chapter report.

Exemptions from per capita tax are permitted in the following situations only:
- members initiated during the current semester (February 1 divides fall and spring semesters for initiations and per capita tax)
- members who have paid per capita tax for 8 previous semesters (not including the initiation semester)

Remember, members who are still in arrears on December 31 and May 31 are charged an additional $15.00 late fee. Members who have been suspended for one or more previous semesters must pay per capita tax for those semesters before being returned to good standing. The chapter may remove members from suspension at any time by notifying the national headquarters and remitting the appropriate amount of back dues. Back per capita taxes may also be paid with the chapter report, but your personnel report will be more current if you notify the headquarters of any changes when they occur.
CORPORATE LIABILITY PROTECTION FEE

Due November 1st $4.50 per member
Due March 1st $4.50 per member

This fee should be collected from individual members along with per capita tax. It covers the cost of the National Fraternity’s general liability insurance policy.

CONVOCATIONS TAX

Due November 1st $60.00
Due March 1st $60.00

Convocations taxes are automatically charged to chapter accounts on the first of November and March. It is included in the final total on the personnel report and should be paid with the check for per capita taxes.

RETURNED CHECKS

The headquarters often receives chapter checks on which the chapter’s bank refuses payment due to insufficient funds or unauthorized signatures. These will be returned to the chapter only after being replaced by a negotiable check. A fee will be charged to the chapter along with any charges or penalties from the bank. This will not be a problem if accurate records are kept.

TRAVEL REIMBURSEMENT

Chapters are reimbursed 25¢ per mile for one car used in traveling to and from province workshops. Special forms distributed at the convocation and endorsed by the province governor are provided for making this claim. If the chapter owes a balance to the headquarters, the reimbursement is applied against the balance.

REFUNDS

In the rare instance that materials ordered from the national headquarters are damaged in shipment, they should be returned for replacement or credit of the purchase price to the chapter account.

Pins belonging to expelled members must be returned to the headquarters. In the case of probationary members who are not initiated, all membership materials should be returned to the headquarters. The initiation fees will be credited, less $5.00 for the shingle and $3.00 for the wallet card, neither of which can be reused and less the cost of any materials not returned. The headquarters cannot reimburse individuals for returned insignia. Chapters, however, may do so in appropriate circumstances.
RECORD KEEPING
To eliminate problems and to give an accurate account of how chapter funds are spent, the treasurer should keep complete records of all transactions.

SUPPLIES
The headquarters will send, upon request and at nominal cost, the following supplies to assist the treasurer in keeping accurate records:

- Journal sheets
- Billing Statement forms
- Treasurer’s report forms
- Ledger sheets
- Receipts
- Disbursement voucher forms

In addition to these supplies, the treasurer should have the following items which can be secured locally:

- Cash box (with a lock)
- File folders
- Deposit pouch (available from the bank)
- Basic calculator
- Cancelled check file
- Plain white envelopes
- Rubber stamp (see “Checking Account”)
- Drawer in chapter filing cabinet

THE JOURNAL SHEET

1. A journal sheet should be kept for each member on which the treasurer will record all money owed and paid during the member’s affiliation with the chapter.
2. Journal sheets should be filed alphabetically in a binder.
3. Keep records for seven years after a member leaves the chapter.
4. Enter charges and receipts immediately to keep each record accurate and up-to-date.
## THE LEDGER SHEET

<table>
<thead>
<tr>
<th>DATE</th>
<th>DESCRIPTION</th>
<th>CHECK NO.</th>
<th>RECEIVED</th>
<th>DISBURSED</th>
<th>BALANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>9/2</td>
<td>Due: Deposit</td>
<td></td>
<td>4 0 0 00</td>
<td></td>
<td>4 0 0 00</td>
</tr>
<tr>
<td>9/3</td>
<td>Wal-Mart (332 Revenue, 314 PEG)</td>
<td>1023</td>
<td>4 6 00</td>
<td>3 5 4 00</td>
<td></td>
</tr>
<tr>
<td>9/9</td>
<td>Due: Deposit</td>
<td></td>
<td>6 0 0 00</td>
<td></td>
<td>9 5 4 00</td>
</tr>
<tr>
<td>9/15</td>
<td>Copies R Us (113 Alumni, 522 Public)</td>
<td>1024</td>
<td>3 7 00</td>
<td></td>
<td>9 1 7 00</td>
</tr>
<tr>
<td>9/20</td>
<td>Photo Bag ($27 Hovtrek)</td>
<td>1025</td>
<td>2 7 00</td>
<td></td>
<td>8 9 0 00</td>
</tr>
<tr>
<td>9/23</td>
<td>Due: Deposit</td>
<td></td>
<td>2 0 0 00</td>
<td></td>
<td>1 0 9 00</td>
</tr>
<tr>
<td>9/24</td>
<td>Province 99</td>
<td>1026</td>
<td>6 0 00</td>
<td></td>
<td>1 0 3 00</td>
</tr>
<tr>
<td>9/24</td>
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<td>1027</td>
<td>8 3 4 00</td>
<td></td>
<td>1 9 6 00</td>
</tr>
</tbody>
</table>

1. The ledger sheet indicates the daily receipts and expenditures (disbursements) of the chapter, whether they be in cash or by check. It should be kept accurate and up-to-date by recording transactions as they occur.
2. Ledger sheets should be filed numerically in a binder.
3. Bring balance from previous page forward to top of new page.
4. Keep records for seven years.
5. The amount in the balance column should tally with the balance in the chapter checkbook.
6. Obviously, total expenditures should never exceed total receipts!
BILLING STATEMENTS

1. Each chapter member should receive a bill before the date his payments are due.
2. Make a carbon copy of each bill to verify that it was issued, to use in case the member loses the original, and to make entries in the journal.
3. File the copies alphabetically in a file folder labeled with the month and year during which the billing took place.
4. Keep copies of the bills for seven years.
5. Refer to section on “Collection Procedures” for more information. (Page 24)

RECEIPTS

1. Always make out a receipt in the presence of the member making a cash payment - immediately!
2. Receipts are not necessary for check payment. Cancelled checks can serve as receipts unless a form is requested.
3. Keep records of receipts for seven years.
4. Do not accept money from a member unless prepared to give him a receipt on the spot!

FILES
Make sure there is room in the chapter filing cabinet or drawer for the treasurer’s records. The most current item should be filed on top. Here are some suggestions for file headings:

1. Audit reports
2. Bank correspondence
3. Bills, receipts, and disbursement vouchers (one folder for each academic year; indicate on each bill the date it was paid and the check number; save these for seven years.
4. Bills to members (file alphabetically; save for seven years; one folder for each billing period)
5. Budget
6. Chapter statements (one folder for each academic year; invoice copies attached; save for seven years)
7. Chapter treasurer’s monthly reports (one folder for each academic year; save for seven years)
8. Committee expense reports (one folder for each academic year; save for seven years)
9. Correspondence with national headquarters and province governor regarding money matters
10. Ledgers from other years (save for seven years)
11. Savings account statements

By saving many of these items for seven years or more, the chapter will have an easier job in preparing budgets and answering questions should they occur. If the chapter finds that it is running out of room for so many years’ worth of records, it can remove them from the file cabinet and archive them in a box. It is also important to keep a separate file for bank statements and cancelled checks. File records immediately!
TREASURER’S REPORTS

TO LYRECREST
The General Regulations for Chapters requires that each chapter submit a semi-annual personnel and operational report to the national headquarters. The operational portion of this report includes a section which is to be filled out by the chapter treasurer:

1. Figures should be based on available data as of the date indicated; e.g., on the spring report the number of men owing national and/or chapter dues should include those members who have not yet paid dues (past or current) by January 31st.
2. Other assets include cash and cash equivalents (e.g., savings accounts).

On the operational report, there is a section which asks for information concerning chapter activities during the previous semester. The treasurer should assist the president and historian in providing any financial information necessary for this section of the form:

TO THE PROVINCE GOVERNOR
The province governor will make an official visit to each chapter at least once every three years. The treasurer should arrange to meet with the province governor sometime during his visit. This meeting may also include the assistant treasurer, finance committee, and alumni financial advisor. All files, records, reports, and books should be up-to-date and available for the province governor’s review. He will want to make sure that accurate records are being kept and that the chapter is financially sound. He may also make suggestions for money management. His job is not to be critical; rather he wants to help the chapter avoid serious financial difficulty. He will make a written report to the national headquarters concerning the financial status of the chapter.

TO THE FACULTY ADVISOR
A regular monthly meeting time should be set up between the treasurer, assistant treasurer, alumni financial advisor, and the faculty advisor. At this meeting the faculty advisor should be brought up-to-date on the chapter’s financial situation – both current and anticipated. The faculty advisor may make recommendations for changes in the chapter budget or program. The faculty advisor is the
chapter’s best source of advice and should be included in all committee meetings and discussions concerning the chapter’s finances.

**TO THE CHAPTER**

The treasurer should make regular monthly reports to the chapter executive committee and to the chapter as a whole. These reports should be made on the Treasurer’s Report form available from the national headquarters. They should be kept in the appropriate chapter file. It is recommended that these monthly reports be approved by a chapter vote. A sample of the treasurer’s report is included at the end of this section.

In addition to making monthly reports, the treasurer is responsible for insisting that the chapter membership support the financial programs and plans that have been implemented. He must be an enthusiastic participant in all fundraising activities and should be able to tell the chapter why money is being spent or saved. The monthly treasurer’s report is a good time for a “pep talk” to encourage prompt dues payment or to compliment committee chairmen on staying within the budget.
## Treasurer's Report

**CHAPTER**  Beta Beta Chapter  
**SCHOOL**  College University  
**DATE OF THIS REPORT**  09/30/2004  
**DATE OF LAST REPORT**  05/31/2004  
**BALANCE ON LAST REPORT**  $0.00  
**BALANCE ON THIS REPORT**  $196.00  

### Transactions Since Last Report

**Description**  
- **9/02**  Does Deposit (Sinfonia, Anderson, Smith, Thomas)  
- **9/05**  Check #1023 - Wal-Mart (Recreation, FID)  
- **9/09**  Does Deposit (Brown, Cooper, Fulton, Harris, Martinez, Anderson)  
- **9/15**  Check #1024 - Copies. P. Oil (Alumni, Paternity)  
- **9/20**  Check #1025 - Photo Bug (Historian)  
- **9/23**  Does Deposit (Elkins, Nelson)  
- **9/24**  Check #1026 - Province 99 (Province Dues)  
- **9/24**  Check #1027 - Phi Mu Alpha Sinfonia (Dues/Charities and per capita tax)  

<table>
<thead>
<tr>
<th>Description</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$400.00</td>
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<td></td>
<td>$46.00</td>
<td>$</td>
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<td></td>
<td>$</td>
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**Total**  
$1004.00  

**Resulting checking account balance**  
$196.00
CHAPTER BUDGETS

Every chapter – regardless of its size or financial situation – must have an operating budget. This is the only way a chapter can determine how much money will be needed to carry on its routine operations. A formal operating budget – prepared by the treasurer with input from every chapter member – will be a significant help in keeping the chapter “out of the red.”

Preparing the chapter budget must be the first priority of the new chapter treasurer and the budget should be completed and approved by the time school closes for the summer. The budget should cover the next academic year.

There are two parts to every budget – expenses and income. The first step in preparing a budget is to determine expenses.

DETERMINING OPERATING EXPENSES

A realistic chapter operating budget should include only those items encountered in regular, routine operation. All other activities (social events, special projects, etc.) should be separate from the operating budget so that routine chapter operations are not hindered by these less predictable and sometimes chancy activities. The steps outlined below will help the treasurer prepare the expense portion of the budget. (It is assumed that the chapter, its officers, and committee chairmen have established goals and priorities for the next year’s activities.)

1. Meet with the fraternity education officer and/or recruitment and probationary membership committee to determine current and projected number of active members.

Beta Beta Chapter has 15 active members during the current spring semester. Five members will be graduating at the end of the term so Beta Beta will begin the next school year with ten active members. The chapter has set a membership goal to replace those five graduates and initiate three additional members by the end of the next school year. It was decided that three men could be initiated during the fall semester and five more initiated in the spring. The Beta Beta Chapter projected membership would be 18 active members by the end of the next school year:

fall semester  10 active
            3 new initiates
spring semester 13 active
            5 new initiates

The treasurer will use the projected membership figures to determine the budget items for per capita taxes and initiation fees.

2. Secure estimated yearly expenses from standing committee chairmen. Use bills, budgets, treasurer’s reports, etc. from past years to help determine the needs in each area.

3. Meet with the faculty advisor and/or finance committee to prepare the expense portion of the budget. Use round figures in noting estimated expenses.
4. National per capita tax, convocations tax, and initiation fees must be included in every chapter budget. In addition, the following items may be added:

- Chapter Room (rent, utilities if not provided by school, upkeep of furniture, equipment, cleaning)
- Telephone (primarily reimbursement of long distance calls)
- Supplies (stationery, postage, manuals, file folders, treasurer’s supplies, etc.)
- Recruitment (refreshments, posters, invitations, etc.)
- Fraternity education (handbooks, probationary membership pins, local probationary membership manual, etc.)
- Program (printing programs; honoraria and/or expenses to speakers, artists, guests)
- Publicity
- Historian (film and processing, scrapbook materials)
- Alumni (postage, printing of newsletters, purchase of directories)
- Awards (engraving on plaques, Orpheus Awards, honorary memberships)
- Social (refreshments, receptions, etc.)
- Ritual (purchase and maintenance of equipment)

5. Total the estimated expenses from each item to determine the chapter’s total estimated expense for the next year.

DETERMINING OPERATING INCOME (DUES)

It is recommended that the chapter’s only source of operating income be from individual member payments of dues and fees. Chapters which depend upon fundraising projects as the main or only source of income are risking the effective operation of the chapter on unpredictable events. Every member of Phi Mu Alpha receives the benefits of fraternity membership, and every member should be expected to do his part to pay for these benefits.

Many chapters explain that the reason they are unable to pay the initiation fees for their new members or were unable to pay the per capita tax one semester was that the event they had planned fell through. Every fraternity charges each member national dues to cover national expenditures and every local chapter should charge each member local dues to cover local expenses. Each chapter member must be expected to pay his own national per capita tax and his own share of chapter expenses. The chapter should not be expected to carry the financial load for a member. When a chapter assesses each member local dues, it no longer has to depend on fundraising to meet its general financial obligations. This will, in turn, enable the chapter to get out of the “all we ever talk about is money” trap and focus on other activities.

It is also recommended that chapters charge a local initiation fee to cover the cost of educating and initiating new members. A probationary member is part of the chapter, participating in most of the activities and benefits of chapter membership, and should be expected to assume financial responsibility for these privileges from the very start of his affiliation. If the $117.00 initiation fee sent to the headquarters for each initiate pays for materials and participation on the national level, then it is not unreasonable to request that probationary members pay for the same things provided locally. Nearly every chapter provides its probationary members with membership handbooks, probationary membership pins, and local manuals. In addition, probationary members enjoy the
right to participate in all chapter functions. It seems only logical that a local initiation fee is appropriate.

To determine operating income, the chapter treasurer should again use projected membership figures:

1. Figure the amount of national per capita tax that will be collected each semester based on the anticipated number of active members.
2. Determine the amount of national and local initiation fees that will be collected each semester based on the anticipated number of probationary members.
3. Total these figures and subtract the resulting total from the total operating expenses of the chapter.
4. The balance represents the amount of money the chapter needs to collect in local dues to cover to chapter’s operating expenses.
5. Count the anticipated number of members who will be paying local dues for the fall semester; count the number who will pay in the spring. Add these figures. Divide the chapter's operating expenses by this number to determine the amount of local dues each chapter member will pay each semester.

PRESENTING THE BUDGET TO THE CHAPTER

1. The budget should be approved by and have the support of the faculty advisor and the finance committee, if applicable.
2. Type the budget and make copies so that each chapter member may have one.
3. Discuss the budget with the chapter executive committee. The officers may wish to make suggestions and revision. It should then be approved as revised.
4. Present the revised budget to the chapter as a whole. Be prepared to justify the expenses.
5. Show the total amount each member will owe each semester.
6. The chapter may wish to make revisions or suggestions and should then approve the budget as revised.

The budget which follows is an example of how one could be prepared. The figures may be used as a guide in determining estimated expenses.
Alpha Alpha Chapter Budget  
School Year 2004 - 2005

EXPENDITURES
National per capita tax (and CPLF): fall semester (10 members @ $64.50) $645.00  
National per capita tax (and CPLF): spring semester (13 members @ $64.50) $838.50  
National initiation fees: fall semester (3 initiates @ $117.00) $351.00  
National initiation fees: spring semester (5 initiates @ $117.00) $585.00  
National convocations tax: (both semesters) $120.00  
Province Dues: fall semester (10 members @ $5.00) $50.00  
Province Dues: semester (13 members @ $5.00) $65.00  
Chapter room: $25.00  
Telephone: $20.00  
Supplies: $25.00  
Recruitment: $100.00  
Fraternity education: $65.00  
Program: $130.00  
Publicity: $50.00  
Historian: $25.00  
Alumni Newsletter: $125.00  
Awards: $40.00  
Social: $67.50  
Ritual: $53.00  

Total Expenditures: $3,380.00  

Income
National per capita tax: fall semester (10 members @ $64.50) $645.00  
National per capita tax: spring semester (13 members @ $64.50) $838.50  
*Initiation fees: fall semester (3 initiates @ $135) $405.00  
*Initiation fees: spring semester (5 initiates @ $135) $675.00  
Chapter dues (incl Prov.): fall semester (10 members @ $35.50) $355.00  
Chapter dues (incl Prov.): spring semester (13 members @ $35.50) $461.50  

Total Income: $3,380.00  

*includes national and local initiation fees  

Dues are payable in two equal installments due October 1st and February 1st.  

Current Active local dues: $35.50  
per capita: $64.50  
Total each semester: $100.00  
Total for the year: $200.00  

Fall initiate Initiation fee: $135.00  
local dues (spring only): $35.50  
Per capita (spring only): $64.50  
Total for the year: $235.00  
Spring initiates pay $135.00 initiation fee only.
CONTROLLING THE BUDGET
Each committee chairman should be aware of the amount of money that has been budgeted for his committee’s operation. However, it is the treasurer’s responsibility to keep track of how the chapter’s funds are being spent so that overspending in a particular area is avoided. This may seem impossible when committee chairmen purchase supplies from their own pockets and then ask for reimbursement or when members merely hand in bills to pay! This confusion can be avoided by the use of “disbursement vouchers.” Each committee chairman or member who has reason to purchase supplies should have a few of these to use in requesting that a bill be paid or that reimbursement be made for a cash purchase. A receipt (when reimbursing a cash purchase) or a bill should always accompany the disbursement voucher. Disbursement vouchers are available upon request from the national headquarters.

These disbursement vouchers are useful for totaling the expenditures in any given budget area. The treasurer can determine very quickly if adjustments need to be made in expenditures. Some chapters find it helpful to get chapter executive committee approval for any expenditure that has not been budgeted or that has exceeded the budgeted amount. These chapters seek the approval of the entire chapter for such expenses over $100.00. Chapters should also include in their bylaws their budget and spending policies, including the fact that individuals will not be reimbursed for expenditures that exceed the budget and have not been approved.
**END OF YEAR BUDGET SUMMARY**

At the end of each academic year, a written summary of the budget should be presented to the chapter. This is a comparison of the actual expenses and income for the year with the estimated expenses and income shown on the budget. Use the records that have been kept during the year to arrive at the total expenditures and income for each area. This summary will make it easier to prepare next year’s budget.

Alpha Alpha Chapter  
Operating Budget  
School Year 2004-05

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<tr>
<td><strong>Total Income</strong></td>
<td><strong>$3380.00</strong></td>
<td><strong>$3750.00</strong></td>
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ASSESSMENTS
“Every member assessments” should be avoided and can be if a budget is prepared and observed. However, most chapters will want to sponsor events that have not been budgeted. Assessments may be appropriate in providing optional services – those that some members may want to take part in but that will not burden members who cannot afford them. Such things as buying decals, incidental jewelry, T-shirts, blazers, tickets to concerts, etc., can be provided. Remember, though, the success of a chapter’s financial management can be destroyed when members promise to pay for things and then fail to keep their promise. If the money to buy blazers or t-shirts is available only from assessments, get the money from each member in advance – then spend!

SPECIAL PROJECTS
It has already been stated that fundraising projects should not be undertaken if the sole purpose is to raise money for dues. Members do have an individual financial obligation to the fraternity and relying on the success of a fundraiser to meet this obligation is not wise. However, most chapters will need to raise money for major projects that cannot be paid for with chapter dues. Chapters which give an annual scholarship, for example, may hold a “pops concert” each year to raise money for that scholarship. Anticipated income and expenses for this project should not be included in the operating budget unless it appears that a loss will occur and the chapter will have to make up that loss from its operating funds. Such losses should not occur if the event is carefully planned, budgeted, and executed; however, many chapters do take a loss even when the project is a huge profitable success because they forgot to “pay themselves back.” The chapter presenting its first pops concert will have to pay (from its treasury) for such things as auditorium rental. But when the receipts are counted, that chapter should put the cost of auditorium rental back into its treasury before determining profits. Chapters that fail to do this often find themselves in financial difficulty when per capita tax or initiation fees are due. REMEMBER: Pay the chapter first! (More information on special projects is included in the chapter on “Fundraising.”)

COLLECTION PROCEDURES

PROCEDURES
According to the correspondence received at the National Headquarters, the most serious financial problem facing chapters is dues collection. Many chapters have difficulty collecting the dues owed and oftentimes use general chapter funds to pay the dues for these members. The chapter is paying for such members if it –

- Marks them as active on chapter reports and pay their per capita tax. This is also known as “carrying” members – DO NOT DO IT! (Does the chapter ever get this money back – especially after the members have been expelled?)
- Carries them as suspended while letting them participate in all chapter activities – even to hold an office.
- Holds money-making projects to pay everyone’s dues – even if everyone doesn’t work to earn the money.
- Initiates new members before they’ve paid the fees.
- Transfers members to alumni status even if they leave owing money.
Following are some recommendations for developing a chapter dues collection policy – and suggestions for making it work.

- **Set a deadline** by which all dues must be paid. It is recommended that dues be collected once each semester – as soon as possible after meetings resume following the summer and winter breaks. Make sure the deadline is far in advance of the national per capita tax due dates of November and March 1st.

- **Bill the members** in advance by giving each member a personal bill (see chapter on “Record Keeping”) itemizing each charge that has been made. It is recommended that bills be issued at the first meeting following the summer and winter breaks – two weeks before the deadline. Members not in attendance at that meeting should be given their bills in person or by mail no later than the next day.

- **Announce collection times** and make sure the treasurer is there to collect! A good time to collect dues is before and after chapter meetings at a position right outside the door to the meeting room. Additional times and locations may be necessary to accommodate all members. The treasurer should make it clear that he will not collect dues at any other time unless arrangements are made in advance so that the treasurer can have his records with him.

- **Issue receipts** immediately upon collection.

- **Make frequent reminders** of the deadline and collection times and places. Do this every time the chapter is together prior to the deadline and post reminders in the chapter room.

- **Stick to the deadline**! If the deadline has been well publicized, the treasurer available to make collections, and all members billed personally, there should be “no excuse” for a member not to pay his dues on time.

How the treasurer approaches dues collection and his own attitude can make a big difference in the chapter’s response. The treasurer should keep these things in mind:

- **Involve the chapter in financial decisions.** Be sure to solicit – and use– the members’ ideas for budget and policies. Make sure the chapter votes to approve the budget, the amount of dues, and the collection policies. (Collection policies should be part of the chapter bylaws. Many complaints are quieted when members realize that they are the ones who voted to approve the dues and policies that the chapter determined.)

- **Support your own programs** by developing a positive attitude. The treasurer cannot expect the chapter members to pay dues or stick to a budget if he grumbles about such things himself!

- **Inform the chapter** about what is expected of them. Make sure that each member has a copy of the budget and the collection policies, and understands his financial responsibilities to the chapter. If a member knows when he leaves school for the summer exactly what will be expected of him financially in the fall, he will be better prepared to pay his dues on time.
Inform prospective members of their financial responsibilities to the chapter before they are pledged. A written, itemized list of fees and deadlines should be given to each prospective member:

As a probationary member of Beta Beta Chapter of Phi Mu Alpha Sinfonia Fraternity, you will be responsible for the following dues and fees as itemized below:

- $18.00 local initiation fee due immediately upon pledging
- $117.00 national initiation fee due one month later

Chapter and national dues are currently $100.00 per semester. However, the probationary member will not be responsible for such dues until the semester following the initiation.

If you have further questions concerning your financial obligation to the Fraternity should you become a member, please don’t hesitate to contact me personally.

Joe Sinfonian  
Beta Beta Chapter  
Room 123, Hale Hall  
555-7714

Inform probationary members about the financial affairs of the chapter. The treasurer should arrange to meet with the new probationary members as soon as possible after pledging. They should be given copies of the chapter budget and of the chapter’s collection policies. REMEMBER: probationary members are required to meet the deadlines too.

DELINQUENT MEMBER ACCOUNTS

The treasurer (with the help of his finance committee) must devise procedures for collecting delinquent accounts. These policies should be approved by the entire chapter and should be part of the chapter’s bylaws. The object of these delinquency procedures is to collect the money, not to expel delinquent members. However, if expulsion appears to be the last resort, the chapter should be prepared to follow through with that action. When the members know that disciplinary action will be taken, they will be more likely to meet their obligations. Conversely, if they see that these policies are “just talk,” they will not be hesitant to shirk their responsibilities. It is very important that a uniform policy by established – one that can and will be implemented equally.

Some things to consider in developing the chapter’s policies are:

- The ultimate disciplinary action that can be taken is to expel the delinquent member. Our governing documents already detail the timeline that a chapter must follow with regards to financial delinquency. First, a member is placed on suspension when the chapter files its Personnel Report. The suspended member has 60 days to resolve this delinquency before the chapter is required to begin expulsion proceedings as defined in the National Constitution (Article XV, Section 1).

- No man may be initiated until he has paid the required local and national initiation fees. These fees should be collected long before the actual initiation date. Set a deadline and
issue bills in the same manner as is done for collecting chapter dues. If the probationary member does not meet the established deadline, he can not be initiated. In addition, a probationary member should not be carried as delinquent indefinitely. If he does not pay the required fees by the established deadline he should be dropped.

- No man should be transferred to alumni in good standing if he still owes money to the chapter. When a member has been transferred to alumni status, nothing can be done to recover any money that he owes the chapter. The chapter, however, is still responsible for any national per capita taxes they are required to pay on his behalf. Such a delinquent member should be expelled.

- If suspension is used as a disciplinary measure, be sure to invoke it correctly. The National Constitution stipulates that the faculty advisor and chapter executive committee meet to recommend suspension which must then be approved by a 3/4 vote of a quorum of members present in a regular or called meeting of the chapter. Remember that a member subject to suspension must receive a written notice of such pending action at least one week prior to the meeting and should have a chance to meet personally with the faculty advisor and/or executive committee.

February 15, 20XX

Dear Brother Jones,

Our records show that your account with the Beta Beta Chapter is two weeks past due. An itemized bill is enclosed.

Unless this amount is paid by February 22, 20XX, the chapter executive committee will recommend that the chapter suspend your membership for a period not to exceed 60 days. Such action would mean that your right to participate in chapter activities, vote on chapter business, or hold office will be suspended. If the dues are not paid within 60 days of the suspension date, the National Constitution requires that you be considered for expulsion from the Fraternity.

Should you have questions concerning your bill, or if you wish to make arrangements for payment, please contact me or the faculty advisor Frank Smith before February 22.

Fraternally,

The names of suspended members should be reported to the national headquarters either on the chapter personnel report or by letter. Suspended members are not permitted to transfer to other chapters, transfer to alumni status, or make purchases from the Sinfonia Store until they are reinstated. Suspended members are not permitted to hold office, vote, serve as a big brother, or participate in other chapter activities until they are reinstated. They may or may not be allowed to attend chapter meetings. Be sure to notify the national headquarters of reinstatements by sending a check for the per capita taxes with a letter of explanation or with the next chapter report.
A member who makes arrangements with the chapter to pay his debt in installments has negotiated a loan with the chapter. The chapter should have such a member sign a “note” that specifies the number and amount of installments and the date by which the entire loan is to be paid. Chapters may consider requiring collateral (such as a fraternity pin) for such a loan.

Chapters may consider imposing a fine for each day after the deadline that dues are not paid.

If expulsion is necessary, be sure to use the procedures outlined in the National Constitution (Article XV, Section 2). Remember that if a suspended member is not reinstated before he graduates or leaves school, he shall be considered automatically expelled from the Fraternity and should be reported as such on the next scheduled chapter report.

As a matter of policy, the Commission on Standards is now reviewing members who fall more than $150 in arrears to the National Fraternity. These members are given final notification to resolve their financial deficiency. If they do not resolve their situation, they are considered for expulsion.

Many courses of action are open to chapters who have members owing large amounts of money. In such cases the chapter may feel it necessary to make every effort to recover the money, even though the member may have since been expelled. However, these suggestions will not be helpful unless the chapter has kept written records of each member’s financial obligations. These records include bills, receipts, journals, copies of letters, and signed notes for loans. Before attempting to recover money by any of the following methods, discuss the case in detail with the faculty advisor and department head:

- School registrar–some schools withhold grades or graduation from students owing money to student organizations.
- Consult the school’s legal counsel (if available to student organizations) or use the legal services of the student government association.
- Consult a local attorney–he will charge a contingency fee of 30-50% of the amount collected.
- Use a collection agency.
- In some states the individual can be tried in small claims court.

**COLLECTING ASSESSMENTS**

As mentioned elsewhere in this manual (see chapter on “Budget”), some chapters may need to fund events and purchases that are not part of the regular operating budget through individual assessments. Such assessments should be approved by a 3/4 vote of the chapter in a regular or called meeting during which a quorum is present. The money should be collected before the chapter makes the purchase or commits itself for an event. For example, if the chapter decides to
buy blazers, the blazers should be ordered only for those members who have paid for them by a pre-determined deadline. Or the chapter which decides to have a party should first determine the number of members who will need to pay and attend in order for the expenses to be met. The arrangements for the party should be made only if that number of members pays by the deadline. Collecting assessments should be handled in the same business-like manner as collecting dues:

- Set a deadline, publicize it, announce collection times and locations.
- Bill each member individually.
- Keep accurate records of billings and payments in journal, ledger, and check register.
- Issue receipts.
- Stick to the deadline. Members should realize that they cannot purchase an item or participate in an event if they don’t pay by the deadline.
- Report to the appropriate committee and/or the chapter the results of the collections.
COLLECTION CHECK-LIST

__ Make out a bill for each member.

__ Note charge on each member’s journal sheet

__ Distribute bills.

__ Announce deadlines, collection times and locations.

__ Collect money and issue receipts.

__ Record receipts on each member’s journal sheet.

__ Record receipts in ledger.

__ Prepare deposit slip and make deposit.

__ Add deposit in check register.

CONDUCTING AN AUDIT

The technical definition of the term “audit” is “the formal or official examination and verification of accounts.” Most Phi Mu Alpha Sinfonia chapters will not find it necessary to engage in such an involved process as an independent audit. However, it is important that the chapter’s financial records be examined at least once each year. Such an examination is for the benefit of the treasurer as well as the chapter, since it is much better to catch those inevitable human errors in arithmetic or recording early – before the errors are compounded.

A separate audit committee should be appointed to conduct the audit. Members can include some members of the finance committee and the faculty advisor but should NOT include the treasurer. However, the treasurer should make himself available to answer any questions from the audit committee. Records that will be needed are the chapter checkbook, journal, cash box, ledger, receipt book, and bank statements for the year. In addition, the current files of bills issued, bills paid, statements from the headquarters, and savings account statements should be available. Put simply, the purpose of this audit will be to check arithmetic and to verify that proper records have been kept.

DOCUMENTS NEEDED FOR A CHAPTER AUDIT

Gather the following documents when preparing to do the chapter audit:

- Chapter Ledger
- Individual Accounts Journal
- Returned checks/slips (if applicable)
- Receipts
- Treasurer Reports
- Checkbook
- Receipt book
- Disbursement Vouchers
- Bank Statements
- Cashboxes and any related documentation
AUDIT PROCEDURES

1. **Check the arithmetic in the ledger, checkbook and journal.** Take a calculator and run through the books to check for simple math errors. Any errors should be notated.

2. **Reconcile the ledger/checkbook with the bank statements.** First, the ledger and checkbook register really serve the same function but the ledger contains much more detail than the register. Reconcile the ledger with the bank statement at four different periods (beginning, November, March, and end). The November and March periods usually have the largest amount of cash flow. See page 5-6 of the “Guide to Money Management” for specific instructions on how to reconcile and balance the account.

3. **Analyze the ledger and journal for appropriate level of detail.** Take a look at the entries in the ledger. All should be dated, have the amounts, and have a balance line. Deposits should include further detail on what made up the deposit. Example:

   October 20, 2003 Deposit (Dues Brother A, Brother B, etc.) $193.50 $193.50

   The ledger should also include the budget category for all expenditures. The journal needs to record the form of payment received from members for their dues (cash, CC, check #).

4. **Do a deposit audit for each semester.** A deposit audit is a quick check to see if money received was deposited into the chapter account. It is only a rough estimate but can illustrate a potential problem in the chapter account. Add up the total amount of dues received via cash or check for the semester. Then check this amount with the deposits (marked as dues) for the semester. The numbers should be fairly close. Chapters should also get out of the habit of crediting a member’s account when they purchase things on behalf of the chapter. A check should be cut for this in order to keep the paper trail intact. Also, if the check cut for dues is significantly higher than the amount collected, this could be a signal of a chapter carrying its members – something that should be stopped.

5. **Verify dues payments with the receipt book.** There should be a receipt for every dues payment listed in the journal.

6. **Verify invoices or receipts submitted for every check issued.** There should be documentation for every disbursement of chapter funds. Preferably, a disbursement voucher was filled out in advance and the purchase receipt was attached to it.

7. **Examine returned checks for proper endorsements and other items.** Make sure all checks are accounted for. Many banks no longer return the checks for accounts but if they do check for two signatures. If you see a check to “Bob’s Beer House”, it may also warrant some additional questions.

8. **If the chapter has a petty cash account, verify and balance it.** It is highly discouraged for chapters to hold onto cash for any reason. Their activities really do not require the liquidity of a petty cash account unless they are in the middle of a fundraiser that requires them to make change. The account should be for a set $ amount (no more than $100) and
the cash box should have a combination of money and receipts totaling that amount. Anything over should have been deposited as revenue from the fundraiser.

9. **Check the treasurer reports for accurate information.** Rather than just a bank balance, the treasurer report should list outstanding obligations and anticipated expenses. This prevents a chapter member from thinking that the chapter has more money available for other projects than it actually does.

10. Review any other financial policies or accounts. If the chapter has a payment plan policy, make sure it doesn’t result in “carrying” members. If the chapter has a fine system, how are they tracked and assessed (invoices?). How are they doing with their budget? Is there a policy in place to control expenditures? If the chapter has any kind of investment account, check to make sure it can be accessed by current officers. In addition, make sure there is a procedure in place to transfer all accounts when new officers are elected.

The results of the audit should be written up and presented to the chapter, the faculty advisor, and the province governor. It should be filed with the chapters other financial documents. In addition to encouraging a yearly audit, all chapter members should be aware of how their funds are being handled and should request changes in procedures if they feel the treasurer is not doing what he should. All chapter books and records should be available for any chapter member to review at any time. The treasurer should realize that the money he handles is not his, and that he has a responsibility to the members of the chapter to keep all transactions current. The treasurer will be assured the confidence and support of the chapter if he does not try to keep money matters secret!

**FUNDRAISING**

An important activity of every chapter is fundraising. The rewards of such projects are immediate and success can be easily measured in dollars and cents! A less tangible, but no less important reward of successful fundraising projects is the sense of accomplishment experienced when brothers work together toward the achievement of a common goal. An imaginative, well-publicized, and successful project is great for public relations, too.

The number and nature of the projects depend upon the chapter’s needs. Don’t attempt a project unless the chapter has determined in advance exactly how the money is to be used. Most chapters raise money for three general purposes: “quick cash” for an immediate goal, savings towards a one-time major purchase or event, and continuing savings for an ongoing project. The money-making ideas listed in each category may overlap and can be mixed and matched to achieve the ultimate goals.
QUICK CASH
Chapters may need money in a hurry so they can buy blazers, paint the chapter room, purchase music, or do any one of a number of other things. In selecting money-making projects for “quick cash,” consider these suggestions and use your imagination:

1. Appoint a chairman and ask for volunteers to help him plan and execute the projects.
2. Set a goal for the amount of money actually needed – select one or more projects that will earn the most money in the least time. Make sure to plan the right mix of events to raise the money needed.
3. Select a project requiring little or no initial capital.
4. Choose a project needing a minimum amount of advance preparation or publicity.
5. Get permission from school administration. (Some schools have stringent regulations on the nature of fundraising projects.)
6. Put the plans on paper and follow through with a written report including suggestions on what to improve the next time the chapter does the same project.
7. Make sure the chapter votes to approve the project. Members won’t support something if they feel they have been railroaded into it.
8. Involve all chapter members including probationary members, alumni, and prospective members.
9. Let the chapter members know what is expected of them.
10. Make use of all opportunities for public relations; wear ФМА T-shirts at least!
11. Reimburse the general treasury for expenses!

Following are some ideas for “quick cash” projects. No attempt has been made to explain the procedures for doing these projects in detail since each chapter will need to adapt them to its own circumstances:

- Hire-a-choir—for chapters which already have a men’s chorus, barbershop quartet, or glee club. Choose a weekend (Valentine’s, spring break, etc.) and charge a fee to have the singers serenade girlfriends, wives, residence halls, sororities, meetings, etc. Great idea for public relations!
- Piano Smash—find an old piano and a sledgehammer and charge a fee for permission to whack the piano! Also a good publicity stunt. Could use an old car.
- Concession Stands—sell soft drinks, hot dogs, pop corn, candy, coffee, donuts, etc. at music contest, sports events, intramural games.
- Raffles (if they are permitted – some states regard them as lotteries and illegal gambling)—sell chances to gift certificates, tickets, vacations, plane rides, televisions, stereos, radios,
turkeys, magazine subscriptions, records, etc. The best idea is a tuition raffle — the winner gets one term’s tuition paid.

- Car Wash—include cleaning inside and out, waxing; also trailer or RV (recreational vehicle) washes.
- Rummage Sales—on campus or in someone’s garage.
- Carnival Booths—sponsor a booth at a university or city carnival. Try “Dunk the Dean” or the Piano Smash (see above).
- Vending Machines—operate one in the student lounge of the music building.
- Bake Sales—on campus or in shopping centers.
- Work for the School—make members’ services available to all departments as envelope stuffers, tour guides, registration clerks, furniture movers, painters, etc.
- Taping Service—supply equipment and/or personnel to tape recitals, concerts for a fee.
- Odd Jobs—do yard work, painting, clear brush, cut grass, etc.
- Paint House Numbers—on curbs of local residences (ask permission of city officials).
- Collections—save newspapers, soda bottles, etc. for re-sale.
- Sell Items—Homecoming mums, stationery, candy, spirit buttons, balloons, light bulbs, calendars, music accessories and supplies. The best idea is to sell Harvard Dictionaries at reduced rates during orientation!
- Tutoring Service—tutor non-majors in music appreciation.
- Discount Coupon Books—local businesses and campus groups provide discounts on goods, services and events.
- Music Ordering Service—can include records and tapes ordered for music students.
- Shared-Profit Ticket Sales—for campus or community events.
- Instrument Repair Service—minor repairs on school or personal equipment.

CONTINUING SAVINGS

Most chapters support at least one major philanthropic endeavor such as annual donations to the Sinfonia Foundation, annual scholarships, commissions, grants, awards, or gifts. These projects are usually funded by one or two major money-making events. In most cases, these are not only major fundraising activities, but are also the chapters’ primary musical events. Some of the activities are sponsored on an annual or continual basis (singly or in conjunction with another organization) are:

- campus all-sing
- jazz, marching or stage band, choral festivals or clinics
- pops concerts, artist recitals, jazz or rock concerts, musicals (both original and standard)
- performing groups—glee clubs, barbershop quartets, stage, rock, or dance bands

Chapters engaging in these activities aim for both outstanding musical achievement and financial rewards. Planning and executing such projects takes time, preparation, and the cooperation of the entire chapter.

1. Evaluate the chapter, campus, and community. Select a project that is appropriate to the needs of all three. Obviously if there are several opportunities for public school students to participate in contests, clinics, or festivals, another one may not be reasonable unless there is something really unique about it. Also, chapters which boast a majority of instrumental majors may consider doing a pops concert where they have the opportunity to sing instead of sticking strictly to instrumental performances.
2. If these are annual projects, a standing committee should be created to do the planning and execution. This committee might benefit from establishing written and approved guidelines for every phase of the activity—a set of bylaws describing such things as how the chairman will be selected, who handles the money and how, rules for chapter participation, criteria for selecting recipients or uses for the profits, etc. An alumnus or faculty member may be selected to serve as an advisor to this committee.

3. Most major projects such as those listed require a full year’s preparation.

4. The planning committee should develop a realistic special project budget, keeping this thought in mind: the project should pay for itself. Think the project through, investigate all costs, then set up a budget of estimated expenses for everything from postage and phone calls down to the soda for the cast party and renting storage space for the sets.

5. Estimate income. How many dances can the chapter jazz band play and how much can they charge for each one? How many people does the auditorium seat and how many tickets can the chapter reasonably sell? Will the estimated income cover the projected expenses—and leave a profit?

6. Don’t attempt a project if it seems obvious on paper that expenses cannot be met—the chapter should absorb a loss only if an unexpected occurrence (such as a snowstorm on concert night) causes it. In addition, the chapter must have the initial capital on hand before the project can even get started. Obviously if auditorium rental is due immediately and the chapter doesn’t have the funds, something will have to be changed! Remember: pay back the chapter before figuring profits.

7. Don’t expect to give a scholarship or award the very first year. If a concert nets a profit of $500, don’t give a $500 scholarship right away. Instead, put part of that money in a special account to use for expenses for the next year’s concert. As the money grows each year, the chapter will soon be able to award larger scholarships without having to use general operating funds to pay the concert bills.

8. Make a final report to the chapter showing estimated expenses and income as compared to the actual figures.

9. See chapter on “Budgets.” (Page 17-23)
ONE TIME SAVINGS
Many chapters see a need on their campus or in the community and set a goal to fill that need. Chapters have purchased harpsichords, built bandstands, commissioned music, bought taping equipment, and provided many other worthwhile items and services. Fundraising for such projects is similar to any kind of money-making endeavor; the difference, however, is usually in the length of time taken to raise the money and in some of the methods used. The suggestions outlined elsewhere in this chapter and in the section on “Budget” can be helpful to chapters tackling such extensive projects. Other ideas follow:

1. Appoint a committee to oversee the project from start to finish.

2. The committee should secure estimates and develop a budget for the project. This budget should include everything – amount of money needed to sponsor each money-making event, the cost of the item or service, and the cost of publicity and presentation ceremonies.

3. Choose a series of money-making projects and estimate the income from each.

4. Set a realistic time limit for raising the necessary funds. Don’t overload the chapter with a money-making project every week. Instead, spread the projects over a one or two year period.

5. Get the chapter’s approval of the plans. Make frequent progress reports – to the chapter, campus, and community.

6. Plan frequent publicity campaigns – when the project is started, about mid-way, and a big publicity campaign when it is completed.

7. Make sure the money-making projects are in line with institution regulations and with the spirit of the ultimate goal. (For example, if purchasing a harpsichord, sponsor a concert by a harpsichordist on a rented instrument.)

8. Make a report to the chapter at the completion of the goal. Compare estimated and actual income and expenses. Keep such records, as well as comments for improvement or change, for future use.

9. Don’t be discouraged by momentary set-backs. One money-making event may result in a loss, but another one might make much more than anticipated. View the project in its entirety and measure success as it applies to the whole.

10. Involve all chapter members, probationary members, alumni, and even prospective members.

11. Use previously-planned events for money-making; e.g. admission or donations could be requested for an all-American musicale that is usually free.

12. The following money making suggestions may be helpful in addition to those described in other sections of this chapter:
b. Sell advertising – for printed concert programs.
c. Walk-a-thons – also dance marathons, bike-a-thons, etc.
d. Solicit alumni donations – fund campaign by mail.
e. Benefit concerts – mini-concerts performed by the chapter, faculty, or local artists appearing for free: the audience is charged admission.
f. Meals – chicken dinners, chili peppers, pancake breakfasts, etc.
g. Movies – sponsor movies on campus, may use a central theme such as “Horror Night,” “Nostalgia Night,” etc.
h. Faculty/student contests – Frisbee throw, basketball games, stunt night.
i. Dances – chapter dance band provides music for campus or community-wide benefit dance.
j. Birthday cakes – make arrangements with a local bakery to provide birthday cakes (for a fee) at the request of students’ parents.

NOTE: Projects requesting donations from individuals should only be used if the proceeds are used for worthwhile, charitable causes. Chapters should never solicit money from alumni or other individuals if the collections will be used to purchase goods, services, or provide income for the chapter.

SINFONIA FOUNDATION MATCHING GRANT PROGRAM
Every year the Sinfonia Foundation awards grants to selected chapters which have submitted applications describing significant projects which are being undertaken. Specifications and instructions for making applications are sent to each chapter president during the fall semester. Completed applications are due at the national headquarters on May 1 and awards are made in the summer. Chapters planning unique and worthwhile projects should make plans well in advance to prepare applications so that they can be considered by the grant committee.

TAX IDENTIFICATION AND NON-PROFIT STATUS
Increasing bank regulations and tax uncertainty have caused many chapters to contact the headquarters concerning tax identification numbers and non-profit status for individual chapters. The National Fraternity and Sinfonia Foundation are non-profit entities. However, individual chapters have certain guidelines they must follow if their situation proves such a status would be beneficial.

TAX IDENTIFICATION NUMBERS
Every chapter that has a checking or savings account off-campus should have a tax identification number (also called and employer identification number or EIN). When the chapter first opens an account with a bank, the bank should ask for this number or someone’s social security number. The government requires that one of these numbers be present on all accounts with the bank. The bank then uses these numbers to report any interest earned on the account to the government for tax purposes. If your chapter was asked for a number and gave the social security number of a member (a president or treasurer), that person will ultimately be responsible for taxes on those earnings. The EIN eliminates this situation.
All interest will be shown as belonging to the EIN of your chapter. The federal government does not require organizations with annual income of less than $25,000 to file forms and pay taxes on this interest income, so in most cases you won’t need to file. If your chapter has income greater than this, you might need to check with a local tax accountant or move your account on campus through the university.

Getting an EIN is very easy. A mailable application form is available at most banks. (Ask for IRS Form SS4). In addition, an online application is available at the IRS website (https://sa.www4.irs.gov/sa_vign/newFormSS4.do). Finally, an EIN can be obtained over the phone by calling the IRS Tele-TIN number for your state. A list of these numbers can also be found on the IRS website (http://www.irs.gov/businesses/small/article/0,,id=97851,00.html).

NON-PROFIT STATUS
The National Fraternity is a registered non-profit organization and has a sales tax exemption in the state of Indiana (its state of incorporation). Its non-profit status and sales tax exemption DOES NOT apply to other entities of the fraternity including chapters, provinces, and alumni associations. For a chapter, province or alumni association to receive a sales tax exemption, it would first have to incorporate itself according to the laws of its state. Second, it would have to file for non-profit status from the federal government. Then, there are usually additional filing requirements for the actual sales tax exemption. Each state has its own criteria for granting exemptions (i.e. a chapter might be granted an exemption in Pennsylvania but not in California).

Filing for non-profit status does not automatically mean that the organization can accept tax-deductible gifts. Being recognized as a non-profit organization by the IRS does exempt it from federal income taxes (except unrelated business income). The IRS has a special classification for “charitable organizations” which provide it certain additional benefits. These are organizations that fall under section 501 c (3) of the IRS Code. The National Fraternity is not one of these, however, the Sinfonia Foundation is. This means that donations that are made to the Sinfonia Foundation (not the National Fraternity) are tax deductible. Fraternal organizations, including chapters, associations, and provinces of Phi Mu Alpha, fall under a different section of the IRS Code and cannot be classified as charitable organizations.

FREQUENTLY ASKED QUESTIONS ON NON-PROFIT STATUS

1. Is my chapter a tax exempt organization?

   Very few chapters of Phi Mu Alpha have applied for and been granted tax exempt status. Although the National Fraternity is tax exempt under the non-profit tax code, the individual chapters are not automatically exempt.

2. Can my chapter apply for tax exempt status?

   Yes. You will need to do two different things. First, you must file for non-profit status with the federal government and be approved. Secondly, you will have to check with a local accountant on the tax laws of your state. Each state is different as to the procedure for gaining sales tax exemption. Once you have attained non-profit status, the IRS requires the filing of tax forms every year. The cost and effort of having these tax forms completed
normally eliminates any tax savings for all but a few chapters of Phi Mu Alpha. Once a chapter attains assets over $30,000, however, it may become cost effective to go through the yearly filing process to be considered tax exempt.

3. How hard is it to attain tax exempt status?

Attaining tax exempt status is a matter of completing all necessary paperwork and having it approved by the IRS and your state offices. Once accepted the real work begins. The chapter must keep up all paper work with the IRS or risk losing the newly gained status. Once the status has been lost it is extremely difficult to get back.

4. What are some other possibilities?

If the main reason for applying for tax exempt status is to avoid paying sales tax you might try going through your music department. All universities and colleges are tax exempt. By going through your university or college you will avoid having to file those yearly tax forms.

5. Where do I get the forms?

Forms can be found online at the IRS website and on your state’s Department of Revenue or Taxation website. You can also check with your local bank or local tax accounting office for the proper forms.

6. Can my chapter alumni make tax deductible gifts to my chapter’s treasury?

Unless the chapter has gone through all of the procedures and is officially recognized as a “charitable organization” by the IRS, alumni cannot make tax-deductible gifts to the chapter. They can provide financial support, but they cannot include them as deductions on their income taxes.
TREASURER’S CALENDAR

Early in his term of office, the chapter treasurer should make out his own calendar for the year to remind him of meetings, deadlines, and responsibilities. Add to the list below chapter meetings and chapter executive committee meetings (each treasurer should specify exact dates of these duties).

Once every three years: Province governor visitation

Once each year:
- Elect officers
- Appoint assistant treasurer and finance committee and advisor
- Prepare a budget
- Summarize actual expenses and income
- Audit chapter financial records

Once each semester:
- Explain financial policies and obligations to prospective and probationary members
- Collect dues
- Assist president with chapter reports
- Pay initiation fees, per capita and convocations taxes to Lyrecrest

Once each month:
- Meet with faculty advisor and finance committee
- Treasurer’s report to the chapter
- Reconcile bank statement or examine school account
- Check statement from national headquarters – pay any balance due

As necessary:
- Collect assessments
- Collect expense reports, disbursement vouchers, receipts, bills
- Make deposits
- Pay bills
- Make entries in journal and ledger
- Participate in planning and executing fundraising activities
- Meet with committee chairmen