


Suggested Accounting Retention Description	Legal Period	Your Call		
		Chapter	State	State
Bank statements & photo copies of checks*	4 years		X	X
Cash Disbursements (paid vendor invoices)	4 years		X	X
Cash Receipts – Deposits	4 years		X	X
Financial Statements (audits/reviews)	permanent		X	X
General Ledger	4 years		X	X
Revenue Reports and Journals	4 years		X	X
Revenue – June 30 Reports	4 years		X	X
Expenditure Budget Reports and Journals	4 years		X	X
Expenditure-June 30 Reports	4 years		X	X
Revenue Data Entry Reports	2 years			X
Expenditure Budget Data Entry Reports	2 years			X
Posted General Ledger Data Entry Reports	4 years			X
Contracts – expired	4 years			X
Correspondence – general	2 years			X
Insurance Claim Records		X	X	X
Insurance Policies – expired	4 years		X	X
Inventories of Materials and Supplies	4 years		X	X
Membership – Form 18 Printouts	7 years		X	X
Payroll Records and Summaries	8 years			X
Payroll– W2 Reports	<i>Active- permanent. Others- 8 years.</i>			
Payroll– time sheets as backup record	8 years			X
Quarterly and Yearly Tax Statements	8 years			X
Federal Report 990	permanent			X
Retirement/Pension Records	<i>Active- permanent. Others- 8 years.</i>			
Personnel Records	<i>Check with your attorney.</i>			
Property Records	permanent			X
Purchase Orders	4 years		X	X
State Convention Financial Records		X		X

 Keep state/chapter financial records of historical or archival value permanently. For long term storage it is recommended that hard copies be kept in addition to electronic records.

*\*Checks whenever possible*

Revised by the 2008-2010 International Finance Committee

## Guidelines

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For State

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And Chapter

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Finance Committees

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## Do we elect Finance Committee members?

While the International Finance Committee is elected, chapter rules and/or state bylaws determine selection of members of chapter and state finance committees. The president and the treasurer are ex officio members of the Finance Committee at both state and chapter levels. State organizations and chapters are responsible to International for the work of this committee. See *Constitution* Article VIII- Committees, Section A, 2 a-c and Article VIII, Section B, 4.

*Note: Chapter and state treasurers should not serve as chair of the Finance Committee.*

### Chapter Finance Committee Responsibilities

1. Recommend the amount of annual chapter dues.
2. Prepare the budget and present it for review, modification and adoption by the Chapter Executive Board and/or the chapter membership.
  - a. Review chapter assessments when considering budget.  
Only a chapter may make member assessments.
  - b. Review Chapter Rules for budget-related items which may require changes.
3. Supervise all expenditures and investments of chapter funds.
4. Provide for an annual financial review.
5. Complete committee report forms and return to designated person.
6. Perform other duties determined by the Chapter Executive Board.

### State Finance Committee Responsibilities

1. Recommend the amount of annual state organization dues.
2. Prepare the budget and present it for review, modification and adoption by the State Organization Executive Board.
3. Follow guidelines established for various funds in the *Constitution* Article X, 1- Available Fund, 8- Permanent Fund and 9- Scholarship Fund.
4. Supervise all expenditures and investments of state organization funds.
5. Provide for an annual financial review.
6. Complete and submit committee reports on time.
7. Perform other duties determined by the State Organization Executive Board and/or State Bylaws.

- The total amount of checks written equaled the total amount of expenditures recorded on the books.
- The cash balance at the beginning of the year plus (+) receipts during the year minus (-) disbursements during the year equaled (=) the balance at the end of the year.

All expenditures were

- approved by the president;
- supported by documentation;
- supported by budget allocations or by actions recorded in the official minutes of the organization.
- All directives and limitations regarding finances, as recorded in the minutes of the organization, were followed.
- Special contributions were received and/or disbursed in accordance with their intended purpose.
- All fund transfers were made in a timely manner.

A list of current bonds, securities and other investments was available, providing the following information for each investment:

- type of investment
- principal amount
- maturity date
- name of financial institution
- physical location of documents
- Correct amount of investment income was recorded at the time earned.

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Financial Review completed by

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Date

# Sample Budget Worksheet

\_\_\_\_\_ Chapter  
 20 \_\_\_\_ - 20 \_\_\_\_

## Revenue

Balance brought forward July 1, \_\_\_\_ \$ \_\_\_\_\_

### Estimated Receipts

#### Dues

International \_\_\_\_ @ \$40 (Active) \$ \_\_\_\_\_  
 \_\_\_\_ @ \$20 (Reserve) \_\_\_\_\_

State \_\_\_\_ @ \_\_\_\_ (A) \_\_\_\_\_  
 \_\_\_\_ @ \_\_\_\_ (R) \_\_\_\_\_

Chapter \_\_\_\_ @ \_\_\_\_ (A) \_\_\_\_\_  
 \_\_\_\_ @ \_\_\_\_ (R) \_\_\_\_\_

Scholarship Fee \_\_\_\_ @ \$1.00 \_\_\_\_\_

Initiation Fee \_\_\_\_ @ \$10.00 \_\_\_\_\_

Chapter Assessments \_\_\_\_ @ \_\_\_\_\_ \_\_\_\_\_

Interest Income \_\_\_\_\_

Other \_\_\_\_\_

Total Estimated Receipts \$ \_\_\_\_\_

Total Amount Available for Budget \$ \_\_\_\_\_  
 (Balance Brought Forward + Receipts)

## Expenditures

### Estimated Expenses

#### Dues

International \_\_\_\_ @ \$40 (A) \$ \_\_\_\_\_

\_\_\_\_ @ \$20 (R) \_\_\_\_\_

State \_\_\_\_ @ \_\_\_\_ (A) \_\_\_\_\_

\_\_\_\_ @ \_\_\_\_ (R) \_\_\_\_\_

Scholarship Fee \_\_\_\_\_

#### Initiation Fee

International \_\_\_\_ @ \$2.50 \_\_\_\_\_

State \_\_\_\_ @ \$2.50 \_\_\_\_\_

Total Dues and Fees \$ \_\_\_\_\_

#### President's expenses

Conventions, workshops \_\_\_\_\_

Miscellaneous \_\_\_\_\_

#### Meeting expenses

Initiation expenses \_\_\_\_\_

Stationery and supplies \_\_\_\_\_

Chapter yearbook \_\_\_\_\_

Postage \_\_\_\_\_

#### Contributions

International Funds \_\_\_\_\_

State Funds \_\_\_\_\_

#### Special projects

Gifts and flowers \_\_\_\_\_

Miscellaneous \_\_\_\_\_

Other \_\_\_\_\_

Total Chapter Operating Expenses \$ \_\_\_\_\_

Total Estimated Expenses \$ \_\_\_\_\_

Estimated Balance June 30, 20 \_\_\_\_ \$ \_\_\_\_\_

## Guide for State/Chapter Financial Review Committee

Members of the Financial Review Committee are the examiners of accounts (sometimes referred to as the Audit Committee). They are expected to examine all records and certify to the accuracy of these records. The organization holds the Committee accountable for any unexplained inaccuracies, which may be found in the future in the materials they have reviewed.

Check the box beside each item to indicate that it has been verified:

- All financial accounts were in the name of a state or chapter of the Society, not in the name of an individual.
- The signatures on all bank accounts and investments were current.
- The correct Employer Identification Number (EIN) was on file.
- The Form 990 or 990ez was filed with the IRS.
- The correct amount was collected for each type of membership.
- Proper distribution was made on the books for each type of membership fee.
- Correct amounts were sent promptly to the International Headquarters/state organization treasurer for international and/or state organization dues and fees.
- Bank Statements were properly reconciled each month with the book balance and the checkbook balance.
- The total amount of cash received during the year was deposited in a bank account within a reasonable time.

## Deal with budget rules, ask questions

When you create your budget, you may set it up for a biennium or a year. This financial statement of estimated income and expenses is your organization's financial plan. No organization should function without a budget. If you plan for a biennium, be sure to conduct a yearly update. The fiscal year for the Society is July 1 through June 30.

Working with the treasurer, the Finance Committee begins with the balance brought forward from the previous year. Next, estimate your income for the year based on number of members and any other fund-raising activities you may conduct. Chapters will "plug in" international dues which are found in Standing Rule 4.11 and state dues.

Note that the initiation fee of \$10 is split among the chapter, state and international levels in Standing Rule 4.21. Scholarships fees are explained in the *Constitution* Article X, 9 and Standing Rule 4.22. Specific rules apply at each level.

Ask questions about your budget and learn the rules. Each member of the Finance Committee should have a copy of the current *Constitution and International Standing Rules* (in one booklet). *Constitution* Article X defines and explains the Available Fund (all levels) and Permanent Fund (international and state levels). Guidelines for Chapter Treasurers, which is updated during even-numbered years and available from International Headquarters, is another resource for committee members. Your chapter rules and state organization by-laws will also provide you with necessary information in building your budget.

Terminology- See Funds *Constitution* Article X

Scholarship- awards granted to members. The Society and each state organization maintain a Scholarship Fund. A chapter may maintain a Scholarship Fund by majority vote.

Grant-in-Aid- identifies funding of service projects at all levels of the Society and/or providing financial aid to outstanding high school graduates entering teacher preparation programs and/or worthy college students completing professional preparation to become educators. Funds from the \$1 scholarship fee shall not be used for a grant-in-aid.

Assessment-money, in addition to dues, which may be levied only by vote of chapter members. Reserve members may not be assessed.