

## GUIDELINES FOR A TREASURER

The newly elected and installed treasurer begins her duties immediately after the books from the previous year have been audited. Typically, the audit takes place no later than mid-July. The fiscal year for an affiliations/deanery is from July 1<sup>st</sup> through June 30<sup>th</sup>.

The Treasurer primarily serves as custodian of the monies of the Council, collects dues, and accounts for all deposits received and expenditures processed. She disburses funds as approved by the Executive Board. She is a member of the Executive Board and provides monthly or quarterly reports at the meetings and a copy should be filed for audit when she provides all books and records at the close of her term of office.

One of the first task for the treasurer is to be on the Annual Budget Committee and to monitor the budget and provide interim reports as the request of the President or the Executive Board. A yearly budget is a must as it will only serve a purpose if you keep track of year to date expenses, which are taken out of the yearly budget. The completed budget will need to be approved at a general meeting. Once the budget is adopted, it is the treasurer's responsibility to keep track and ensure that the budget items do not exceed the projected amounts approved. Once certain standard expense items are approved via the budget (i.e., Burse Fund expense, Take a Sister to Lunch expense), the Treasurer can expense out these amounts without going back to the Executive Board or general membership for authorization.

The following sample items are important for a treasurer:

- BUDGET

The Budget is prepared during the summer before the first meeting. This should be done by a committee that usually consists of the outgoing and newly elected president, the outgoing and newly elected treasurer or the committee may consist of the executive board. Check your Deanery/Affiliation Bylaws to see if there is a section on who should make up your budget committee and either follow those requirements or one of the suggestions set out above.

Income: List all the items that you think you will get in monies from fundraisers and events with CCW for the upcoming year. Sum all income.

Expense: List all the proposed expenses for administration, committees, donations (charity), council expenses, member incentives. Sum all expenses.

Both income and expense must equal the same amount for a balanced budget.

Throughout the year, the treasurer is responsible for keeping track of all the income and expense line items of the budget and safeguarding that the budget items do not surpass the anticipated amounts approved.

- TREASURER'S REPORT

Typically, you present this report at your monthly meeting and at a minimum it should have the following:

- Beginning balance/Balance on hand as of (from last month's meeting ending balance).
- Total Income/Receipts or monies taken in from last month to time of report on events/dues, etc.
- Total Expenses/Disbursements or monies paid out by category.
- Ending Balance or Balance on Hand as of Date of Report.

Treasurer's Report with Escrow Accounts

This report format is highly recommended and preferred, and it involves identifying escrow accounts that will be used throughout the fiscal year.

What denotes an escrow account?

An escrow account is defined as a "temporary pass through account held by a third party during the process of a transaction between two parties". For example, if your mortgage company includes your property tax in your monthly mortgage payment, the property tax is held in escrow until the taxes are due to be paid.

When a deanery or affiliation collects money for the Remembrance Tree, Hugs for the Homeless or Water for Life, for example, the treasurer is aware that all the monies collected will be sent to PBDCCW for this purpose and nothing else.

Why use escrow accounts at the deanery or affiliation level for finances?

The utilization of an escrow account allows the treasurer to keep a more accurate account of these types of funds that are collected throughout the year and allows for this information to be more visible and readily available to present to your council or deanery on your monthly Treasurer's Reports.

What are some other suggestions for using an escrow account?

Escrow accounts are also used for special projects or fundraisers. The financial reporting of these types of escrow accounts such as fashion show or liquor basket raffle, would assist the treasurer in calculating the net income or net sales for the event that is typically a line item of income on the budget.

The monthly Treasurer's Report should be filed in the treasurer's records, and copies should be given to the recording secretary and the president.

### ❖ AFFILIATION DUES AND DONATIONS

Please note the following:

1. Deanery and Diocesan dues are due by December 15<sup>th</sup> of each year.
2. Dues for Deanery are \$2.00 per member and should be sent to your Deanery Treasurer and checks should be made out to your Deanery.
3. Dues for PBDCCW are also \$2.00 per member and checks are made payable to PBDCCW and sent to the PBDCCW Treasurer.
4. If new members join after December (January – May), please still send in the dues for these members after the December 15<sup>th</sup> deadline.
5. Any donations your affiliations would like to make for the Burse Fund, Hugs for the Homeless, Scholarship Fund, Vocation Purse Fund or a Place at the Table, please fill out the PBDCCW Affiliation Transmittal form and mail it with the check payable to PBDCCW to the PBDCCW Treasurer.
6. Every affiliation and deanery are responsible for pay dues of \$100 directly to NCCW every year by December 31<sup>st</sup>. You will receive a direct bill from them if you have updated your affiliation records each year. If you need to contact them, please call NCCW at (704) 224-0990 or go to their website at [www.nccw.org](http://www.nccw.org).
7. Please remember, checks are never to be made out to cash for any of the above items.

### ❖ TREASURER'S ACTION REQUEST FORM

**A Treasurer's Action Request form must be used for every check written and deposit entered in the checkbook.** Any check or expense request must be signed by the President and corresponding receipts attached. Deposits do not need the President's signature. These forms should be kept in a binder along with the bank statements, bank reconciliation report and monthly financial reports. For better clarity, the form has been revised and has been broken into two forms, one is for deposits only and one is for tracking payments disbursed. Each should accompany the corresponding transaction and a TAR # should be entered in the upper right-hand corner and kept in the order in which the transactions are recorded. These transactions should follow the same order as written in the checkbook register. For deposits, please attach deposit slip on the back.

A statement reconciliation date has also been added to the upper right-hand corner to better help the audit process when locating transactions in the bank statements.

### ❖ BANK RECONCILIATIONS

Why should a treasurer reconcile the account every month?

Two Reasons:

1. Confirms Data Entry: Reconciling your bank account each month will help identify any data entry errors such as mission transactions (i.e., transactions that appear on your bank statement but were never entered into your checkbook register) or erroneously recorded transactions (i.e., transactions that were entered with the incorrect amount in your checkbook register in comparison to the correct amount on the bank statement).

2. Verifies Financial Records are Accurate: Reconciling your bank accounts each month verifies that all transactions that have been processed or recorded on your bank statement have been correctly entered onto your checkbook register. Therefore, your checkbook register reflects the true and accurate income and expense activities for the affiliation or deanery.

If you are comfortable with using the computer, it may be helpful to use a software accounting program such as Quicken or QuickBooks to keep track of your deanery/affiliation finances. If you don't have either program, Excel works well for keeping track of finances.

#### ❖ **DOCUMENTS: RETENTION & DESTRUCTION GUIDELINES**

The following table provides retention and destruction requirements for PBDCCW:

TYPE OF DOCUMENT	REQUIREMENT
Bank Reconciliations	2 Years
Bank Statements & Treasurer's Reports	3 Years
Correspondence (General)	2 Years
Deposit Slips & Register Stubs	2 Years
Internal Audit Reports	3 Years
Minute books, bylaws and charter	Permanently
Receipts of major purchases	Permanently or until no longer relevant
Special Project Reports (e.g. Fashion Show)	5 Years
Treasurer's Action Request Forms (w/receipts & approval)	2 Years
Year End Financial Statements	Permanently

#### ❖ **AUDIT OF TREASURER'S RECORDS**

##### Why do we Audit?

The primary reason is for financial transparency. According to GuideStar who specialize in reporting on U.S. non-profit companies, "Nonprofit transparency is defined as a clear view into where the donations or gifts given to the non-profit are distributed, as well as the overall costs of running the non-profit organization." Each affiliation, deanery & diocese needs to be committed to transparent practices to all its members. An audit helps provide the transparency that all our members would expect from any charitable non-profit organization, like ours.

##### Who selects the auditing committee & Who is part of this committee?

The audit process begins with an Audit Committee being appointed by the President. The Audit Committee typically consists of two or more members and can be from your Board of Directors or from your general membership. Again, consult your Bylaws for information on appointing an Audit Committee.

When should we Audit?

An audit is done immediately after the end of a fiscal year or during the month of July. Remember, a fiscal year for our organization runs from July 1<sup>st</sup> – June 30<sup>th</sup>. When your audit of the Treasurer's records is conducted should be spelled out in your bylaws. Therefore, an affiliation or deanery may be required to conduct an audit every year or every two years. So again, consult your bylaws for parameters for your audit. Note: the Treasurer is never a member of the audit committee but must be available should the committee have any questions or concerns.

Audit Process

1. Set the Date: The Chairman of the Audit Committee would plan to contact all the members of the Audit Committee and Treasurer and set a date of the audit. The Treasurer must be prepared with all the Treasurer's records.
2. At the time of Audit: The Audit Committee would meet to reconcile all cash accounts, making certain that all revenues and expenses have been properly recorded.
3. Verification of Records: The following will be verified for accuracy and completeness:
  - a. Checkbook Ledger or Register
  - b. Sequence Number of Checks
  - c. Receipts and/or Payment Vouchers
  - d. President's Signature on Treasurer's Action Request Forms ("TARS") for Payment Requests
  - e. Bank Statements and corresponding Bank Reconciliations
  - f. Deposits with bank receipts
  - g. Outstanding (not cleared) Checks
  - h. Beginning Checkbook Balance
  - i. Ending Checkbook Balance
4. Reporting: The Audit Committee is responsible for reporting at the specified general meeting the results of the audit along with the submission of a written audit report for permanent records. This report can also make suggestions for changes or improvements for the Treasurer.

What form should the Audit Committee Use?

There is a template form that can be printed and is found at the PBDCCW.org website. This form can be used by all our affiliations and deaneries. A copy is attached.

Prepared originally by

Cynthia Fulmer  
Dotty Grauso

Updated August 2019 – Doreen Recco