Making Cent$ Out of Chapter Finances

Presented by:

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Objectives

• Gain insight into the budgeting process

• Understand audits and tax filing requirements for chapters in the United States
Chapter Finance: Agenda

- Treasurer’s Responsibility
- Budgeting
- Audits
- Investing
- IRS Filing Requirements
- Fidelity Bonds
- Resources
Treasurer’s Responsibilities

A. Fiduciary responsibility for the financial management and safeguarding of chapter assets

• Safeguarding assets
• Proper & timely reporting
• Proper & timely handling of funds
• Continual awareness
• Financial decisions
Treasurer’s Responsibilities

B. Treasurer’s specific responsibilities

- Timely recording of financial events
- Prepare financial statements
- Investments
- Make financial recommendations
Treasurer’s Responsibilities

C. Additional Duties

• Financial section of annual report
• Finance committee member
• Coordinate outside review or audit
• Tax returns
Budgeting
Budgeting

• Plan Activities
• Actual vs. Budget
• Identify Trends
• Re-plan Activities and Goals
Budgeting

- Be Realistic
- Historical Data
- Interviews
- Individual Program Budgets
- Summary Budget
- Monthly Budgets
- Monitor-Actual vs. Budget
Audits

» When

» Who

» How Often
Audits

“An external audit of the books should be arranged at least biennially.”

– The Governance Resource for Board of Directors and Committees
Audits

Who can perform a certified audit?

Certified Public Accountant

(CPA)
Audits

➢ Reviews
➢ Compilations
➢ Internal Reviews
Investing
Investing

“Compounding interest is the greatest mathematical discovery of all time.”
Investing

Types of Investments:

• Interest Bearing Accounts
  ✓ Savings Accounts
  ✓ Money Market Accounts

• Safe, risk-free, consistent flow, lowest rate of return
Investing

Mutual Funds

☑ Collection of stocks, bonds

☑ Various kinds of funds
  • Blue chip, mid cap, growth, equity, fixed income, REIT, international ...
  • Various risk levels
  • No control of stocks
Investing

Uniform Prudent Investor Act

A trustee shall invest and manage trust assets as a prudent investor would, by considering the purposes, terms, distribution requirements and other circumstances of the trust.
Investing

In satisfying this standard, the trustee shall exercise reasonable care, skill and caution.
IRS Filing Requirements

• Chapters within the United States
• 990 – N : Chapters with less than $50,000 of income within the fiscal year (This is an electronic post card)
• 990 EZ : Chapters with less than $200,000 of income within the fiscal year and chapter assets less than $500,00
• All other US chapters – Form 990

• Deadline—15 November
Form 990-N

E-Postcard Filing on IRS website
http://epostcard.form990.org/

Warning: IRS will revoke the tax-exempt status of your chapter if it fails to meet its annual filing requirement for three consecutive years.
The e-Postcard will require you to provide the following information:

- Chapter’s legal name and any other names your chapter uses
- Chapter’s mailing address
- Chapter’s website address (if applicable)
- Chapter’s employer identification number (EIN)
- Name and address of a principal officer of your organization
- Chapter’s annual tax period
- A statement that your chapter’s annual gross receipts are normally 50,000 or less
- If applicable, a statement that your chapter is terminating
Fidelity Bonds

Safeguarding your Chapter’s Assets

Tom Popcheff
tomp@stti.iupui.edu
Resources

www.nursingsociety.org/Chapters/Resources/Pages/treasurerfinancechair.aspx

Federal IRS tax filing requirements for chapters

Job Description

Treasurer’s Orientation Recorded Tutorial

Chapter Financial Information
Resources

Reports
Annual Chapter Report - DUE AUGUST
FINANCIAL SECTION ONLY

Guidelines
Chapter Finance Guidelines
Tax Exempt and Bulk Mail Guidelines
Resources

Forms

Membership Subsidy Fund/Application Form

Samples

Budget Sheet
Chart of Accounts
Expense Voucher Template
Resources

• All Chapter Officers discussion forum in The Circle, accessible from your profile

• Contact HQ
  – 888.634.7575 (US/Canada)
  – +1.317.634.8171 (International)
  – chapserv@stti.iupui.edu
Questions?