Faculty Disclosure

- Faculty Name: Jessica Wendorf
- Conflicts of Interest: None
- Employer: Sigma Theta Tau International
- Sponsorship/Commercial Support: None
This session is not eligible for continuing nursing education contact hours
Objectives

• Learn the types of income and expense to include in your chapter budget

• Complete a budget worksheet
Who is responsible for the chapter’s funds?

Chapter board of directors = fiduciary responsibility

- Avoiding conflicts of interest
- Acting in the interests of the chapter must take precedence over personal interests of individual board members
- Acting in good faith and with a reasonable degree of care
- Providing oversight to assure that all business is transacted legally
- Protecting the assets of the corporation
- Making decisions regarding the rights and interests of members
What are the Treasurer’s Responsibilities?

• Work with the entire chapter board to establish **goals**
• Help **determine what it will cost** the chapter to accomplish goals
• Propose fiscal year chapter **budgets** to the board that are **aligned with the operational goals**
• Establish the chapter’s **financial policies and procedures**
• Serve as the custodian of **chapter funds**
• Regularly **present financial status information** to the board & members during meetings
• Work with the president to complete the financial portion of STTI’s **chapter annual report** & submit **IRS 990** (US chapters only), and other financial duties as assigned
• Form a finance committee to **delegate tasks** (optional)
Use the requirements listed in the chapter bylaws.
You Need A Budget.
Getting Started: Questions to Evaluate Your Past

• What worked well last fiscal year?
• What needs to be improved from last year?
• What needs to be eliminated?
Questions to Consider the Members’ Perspectives

• What kind of membership experience do we want to create for members?

• What do we want to accomplish or improve upon this year? In the next few years?

• What perceptions do we want members to have about our chapter?
1 July-30 June
Income

• New Member Dues
  o Many chapters set this at a lower amount, since many new members are students
  o Consideration: New members renew at an average of 30%

• Renewing Member Dues
  o Average chapter renewal rate is about US $30
  o Consideration: Average member renewal rate is 70%

• Donations to the chapter through membership renewal
Income

• Event/Program registration fees
  o Difference in charge for members and nonmembers?
  o Required induction ceremony fee?

• Fundraising
  o Check that local laws don’t prohibit/limit fundraising activities

• Investments
  o Consult a professional before choosing
Chapter Checks

• March
  o Renewals & New Member dues returned to chapter
  o 1 November – 28 February

• September
  o Renewals & New Member dues returned to chapter
  o 1 March – 31 August
  o Deductions for chapter services fee and liability insurance

• November
  o Renewals & New Member dues returned to chapter
  o 1 September – 31 October

• Induction ceremony and guest fees arrive separately, 60 days after induction (if applicable)
Expenses

• Induction ceremonies (1 required annually)

• Events/Programs that meet the mission of STTI (2 required annually)

Budget considerations for these items include:
  o Food/beverage
  o Audio/Visual
  o Venue
  o Speaker fees
  o Registration software
  o Communication/publicity costs
Expenses

• Business meeting (1 required annually)
  o Printed Board reports?
  o Voting?

• Board meetings

• Deductions from September check (Chapter Services Fee & Liability Insurance)
What is the Chapter Services Fee?

• Covers items such as financial services, chapter training, administrative tools such as the Chapter Management System, induction materials, and more

• Deducted from the chapter’s September check

• Based on the number of active members in each chapter as of 30 June, annually
What is Chapter Liability Insurance?

- Protects chapter against liabilities that arise from its daily operations, meetings, and chapter events that do not involve dangerous activities
- Based on the number of active members in each chapter as of 1 July, annually
- Deducted from the chapter’s September check
Expenses

• Printing
  o Reports for business meeting
  o Recruitment and member collateral
  o Induction/event programs

• Postage for member correspondence
  o Renewals
  o Newsletters
  o Postcards
Expenses

• Fidelity Bonding
  o Safeguarding your chapter’s assets against dishonest or fraudulent acts

• Director and Officer Insurance
  o Protection against any breach of duty by directors and officers of the chapter

• Additional insurance for one-time events
Expenses

• Grants, scholarships, membership subsidies

• Audit/accounting fees
  o Internal review every year
  o External review every 2 years

• Bank fees
Expenses

• Purchasing fundraising items in bulk
  o Books
  o Magnets
  o Apparel

• Travel and registration costs for Biennial Convention and Leadership Connection
  o Biennial convention House of Delegates is a requirement
  o Leadership Connection is the event for intensive, hands-on chapter leader training
Developing Policies and Procedures
What is a …

• Policy?
  – A clear statement interpreting a chapter bylaw and how that bylaw will be upheld, or a clear statement regarding the governance of the chapter.

• Procedure?
  – Consists of a detailed description of the process(es) used to support the policy

**Policies and procedures may NOT be in direct conflict with the bylaws**
Where do we Start?

Format

• Policy Title

• Purpose Statement
  – Description of the policy
  – Reason for implementation

• Procedure
  – Step-by-step process to be followed
  – Identifies responsible parties
  – Details timeline and can be date-specific

Suggested Content (Financial)

• Officer transitions
• Accounting system / Records
• Direct deposit
• Investments
• Audits
• Budget process
• Disbursement of funds
• Expense vouchers
Title: Biennial Convention - Chapter funding

• **Issue:** Chapter-supported funding to biennial convention for delegates

• **Policy:** Per STTI bylaws, each chapter is obligated to send at least one delegate to each biennial house of delegates. The chapter will provide the following monetary support for each delegate:

  • Delegates not attending in another capacity (speaker, STTI board member, etc.) reimbursed the entire registration cost and 50% of cost for travel, hotel and food.
  • Delegates attending in another capacity (speaker, STTI board member, etc.) reimbursed 50% of the registration cost and 50% of cost for travel, hotel and food.
  • NOTE: Delegate must attend the entire House of Delegates to be reimbursed

• **Policy review:** This policy will be reviewed annually, or as needed.

• **Approval date/approving party:** 01 July 2014; Chapter board of directors

• **References:** Chapter reimbursement policy and procedure
Additional Financial Considerations
Complete an IRS Form 990
15 November Deadline for US Chapters Only

Chapters are:
• Independent, *autonomous* organizations
• Affiliated with STTI
• 501(c)3

Chapters are **NOT**:
• Included in the 990 STTI submits to the IRS
• A program or budget item of the academic institution to which you are partnered
Warning: IRS will revoke the tax-exempt status of your chapter if it fails to meet its annual filing requirement for three consecutive years.
Financial Section of the Chapter Annual Report

• Submitted in August each year

• On-time submission is a requirement

• Divided into two categories:
  1. Activity
  2. Finance
Verification of Renewal Fees

• Can change the dues charged to new members or renewing members once per biennium.

• Form is open January-March every year in the Management System

• Changes limited by Consumer Price Index (CPI) percentage increase based on your last chapter dues adjustment
Consider appointing finance committee

- Monitor chapter’s financial status
- Support budget development process
- Review fiscal policies & procedures
- Assist with selection of auditor
- Other duties as assigned by treasurer
Questions?