



THE SIGMA CHI FRATERNITY

Quaestor Manual

Version 1.1.2017

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Timeline and Checklists

ANNUAL
QUARTERLY/SEMESTERLY
MONTHLY
WEEKLY

Annual Tasks

April / After Election

- ☐ Meet with the **former Quaestor**.
- ☐ **Transition** as detailed in Section 7: The Transition.
- ☐ Review your **duties** as Quaestor.
- ☐ Examine all information pertinent to your office, including:
 - **Officer binder**/Standard Operating Procedures (SOP);
 - **Chapter bylaws**;
 - **Accounting system**. Also review:
 - **Outstanding balances** due from members;
 - Members/alumni/ex-members in **collections**;
 - **Payments** due and upcoming.
- ☐ Contact your chapter advisor or financial advisor for **additional training**.
- ☐ Attend **executive committee retreat** with chapter advisor/advisory board.
 - Develop a **strategic plan** for the upcoming year.
 - Set annual **calendar**.
 - Finalize **budget(s)**. Including:
 - Dues;
 - Officer-specific and event-specific budgets;
 - Schedule of cashflows.
 - 30-day/90-day action plans leading up to end of academic year/Balfour Leadership Training Workshop.
- ☐ Submit dues and budget(s) for ratification by chapter.

MAY

- ☐ Register for Balfour LTW at sigmachi.org.

JUNE-JULY

- ☐ Attend Grand Chapter/Grand Council.
- ☐ Coordinate with Consul, Pro Consul, Recruitment Chairman, and Magister for Balfour LTW.
- ☐ Submit required documentation ahead of Balfour LTW.
- ☐ Recommended end of fiscal year. See Section 5 for tasks and taxes.

AUGUST

- ☐ Attend Balfour LTW
 - Network with other chapters.
 - Learn how other chapters overcame/deal with similar challenges.
 - Get finalized Risk Management Foundation (RMF) fees.
 - Review/Update strategic plan, annual calendar and budget.
 - 30-day action plan.
- ☐ Issue invoices for dues and outstanding balances.

SEPTEMBER

- ☐ Remit RMF fees to the RMF before Sept. 15.
- ☐ Remit fall pledge class fees to Headquarters within 10 days of formal pledging.
- ☐ Host fall executive committee retreat, which should include a:
 - Review of Balfour LTW learning;
 - Review / update of the strategic plan, annual calendar and budget;
 - 90-day action plan.
- ☐ Remit fall semi-annual dues to Headquarters before Oct. 15.

OCTOBER

- ☐ Remit fall pledge class fees to Headquarters at least 21 days prior to Initiation.
- ☐ Annual tax filings due before Nov. 15.
- ☐ Submit a copy of your chapter's Form 990 to Headquarters (US chapters only).

NOVEMBER

- ☐ Review and prepare revisions of financial policies/bylaws.
- ☐ Submit revisions of financial policies/bylaws to bylaws committee.

DECEMBER

- ☐ Give holiday bonuses to chapter employees.

JANUARY

- ☐ Contact accountant or other tax professional (if needed).
- ☐ Remit RMF fees to the Risk Management Foundation before Feb. 15.

FEBRUARY

- ☐ Remit winter pledge class fees to Headquarters within 10 days of formal pledging.
- ☐ Remit spring semi-annual dues before March 15.

MARCH

- ☐ Remit winter pledge class fees to Headquarters at least 21 days prior to Initiation.

APRIL

- ☐ Transition with the newly elected Quaestor.

Quarterly/Semesterly Tasks

Before First Day

- ☐ Issue invoices for dues and outstanding balances.

First Month

- ☐ Every active member signs a new financial contract or agreement (as needed).
- ☐ Every prospective member (pledge) signs a pledge financial agreement.
- ☐ Send delinquents to collections.
 - Collect supporting documentation, including copies of:
 - ☐ financial contract or agreement;
 - ☐ invoices;
 - ☐ payment documentation;
 - ☐ balance due;
 - ☐ phone logs;
 - ☐ all correspondence along with any registered mail or delivery confirmation receipts.
 - Submit names and amounts past due for ratification by FC or EC.
 - Report ratified list to chapter and financial advisors after ratification.

Weekly Tasks

RECORDS MAINTENANCE

- ☐ Record all transactions.
- ☐ File all documentation.

CURRENCY DISCIPLINE

- ☐ With a witness present:
 - Reconcile cash on hand with accounting balance.
 - Deposit checks and excess cash.

LEADERSHIP

- ☐ Keep regular office hours.
- ☐ Attend executive committee, chapter, and other pertinent meetings.

Monthly (Bi-weekly) Tasks

RECORDS MAINTENANCE

- ☐ Print, review for accuracy, adjust errors, reprint, and file:
 - balance sheet
 - statement of cash flows
 - accounts receivable with aging
- ☐ Reconcile the chapter accounts

MONITOR REVENUE and EXPENSES

- ☐ Follow-up on invoicing
 - Categorize all accounts as “paid in full,” “on-schedule,” or “delinquent.”
 - Send out delinquency notifications
 - Report *number* paid-in-full/ on-time and *name/amount/days* delinquent
 - ☐ executive committee
 - ☐ advisors
 - ☐ chapter
- ☐ Report on budget/ cashflows
 - ☐ executive committee
 - ☐ advisors
 - ☐ chapter

LEADERSHIP

- ☐ Meet with financial committee to address current issues such as:
 - Financial policy /bylaw revision
 - Sending delinquent accounts to collections
 - Financial suspension
 - Brothers in financial hardship.

SECTION 2

Contacts

Chapter and Province
Local Financial and Business
University
International

Chapter and Province

Chapter Advisor

Email

Phone

Financial Advisor

Email

Phone

House Corps Treasurer

Email

Phone

Grand Praetor

Email

Phone

House Corps President

Email

Phone

Alumni Chapter President

Email

Phone

Local Financial and Business

Bank/Contact
Hours
Phone

Accountant/Tax Professional
Email
Phone

Cable/Internet/Telephone
Acct No.
Email
Phone

Sewage/Water
Acct No.
Email
Phone

Gas/Electricity
Acct No.
Email
Phone

University

Alumni Affairs

Email

Phone

Bursar's Office

Email

Phone

Development Office

Email

Phone

Greek Advisor

Email

Phone

International

Headquarters Finances
A.R@sigmachi.org
(847) 869-3655, ext. 240

Risk Management Foundation
RMF@sigmachi.org
(847) 869-3655, ext. 231

For questions regarding membership dues, contact:

Dan Mathewson	Eric Salas
dan.mathewson@sigmachi.org	eric.salas@sigmachi.org

Huntsman Derby Challenge
derbychallenge.org
sigmachi@huntsmanfoundation.org
(801) 584-5808

Huntsman Donations go to Jacqueline Brakey
Huntsman Cancer Foundation
500 Huntsman Way
Salt Lake City, UT 84108

Balfour LTW Faculty
Email
Phone

Relationships

Team-Based Financial Management
The International Fraternity
The University
Local Businesses

TEAM-BASED FINANCIAL MANAGEMENT

Every effective team has a plan. Similarly, each chapter of Sigma Chi should have a *strategic plan* that is developed by the executive leadership and implemented by the entire chapter. It is the “game plan” for the growth and improvement of the chapter, lifting the aspirations of individual members, and focusing individual efforts and activities toward the achievement of well-considered and worthy goals, while creating lasting memories and strengthening the bonds of life-long friendship and brotherhood.

Every member of the chapter has a vital role to play in fulfilling the *strategic plan*. As *Quaestor*, you are *primarily responsible* for the financial welfare of the chapter, but you are *not solely responsible*. The Consul, Pro Consul, executive committee, every officer, and each brother is *personally responsible* for the financial wellbeing of the chapter through paying dues and other debts on time, keeping expenses within the budget allowances set in advance, and reporting new or important information to you and the rest of the chapter’s executive committee in a timely manner.

Shortly after your election you should have met with the other top officers of your chapter to:

- review the chapter’s performance over the course of the prior year;
- identify strengths, weaknesses, opportunities and challenges facing the chapter;
- set a strategic plan for your year in office;
- calendar and plan the major events for the upcoming year; and
- set a budget to reflect those priorities and plans.

If you have not done this, you need to. Preliminary discussions can be done during meals, chapter breakout sessions and in the evenings while you are at Balfour LTW. Reach out to your Balfour Facilitator, Chapter Advisor(s), and /or Praetor for assistance.

At most chapters, the Consul, Pro Consul and Quaestor will share the responsibility for leading different parts of these discussions, and the chapter advisor and/or advisory board will host or facilitate your annual strategic planning session. It is the Quaestor’s key responsibility to know the chapter’s prior budget, revenues and expenditures, along with due dates and expected amounts for key payments (Headquarters dues, RMF, house payments, utilities, etc.). The documents that guide these discussions, and how to prepare them, are covered in later sections of this manual.

You can also greatly facilitate planning—especially during the budgeting phase—by explaining financial obligations, opportunities, alternatives, and constraints clearly and concisely. Keep in mind that every aspect of your chapter’s finances—from dues to budgets to expenditures—should be an extension and reflection of the strategic plan.

The minimum responsibilities of each brother and officer in the financial management of the chapter are listed below:

Consul	Leads the strategic planning and budgeting process. Shares responsibility with the Quaestor and Pro Consul for ensuring that the chapter is operating within the approved budget.
Pro Consul	Facilitates the executive meeting each week and ensures finances are one of the agenda items reviewed. Shares responsibility with the Consul and Quaestor for ensuring that the chapter is operating within the approved budget.

Annotator	<u>Maintains</u> contact information and <u>facilitates</u> all official chapter communications.
Quaestor	<u>Manages</u> chapter finances in accordance with best business practices, principles of sound financial management, Fraternity bylaws and chapter policy. <u>Participates</u> in developing and executing the chapter strategic plan. Along with the Consul, <u>leads</u> the budgeting process—identifying opportunities, constraints, and alternatives for revenue generation and expenditures. <u>Ensures</u> timely financial reporting and annual renewal of operating licenses.
Magister	<u>Educates</u> all brothers-to-be in their financial responsibilities to the chapter and International Fraternity. Ensures that all pledge fees, dues, and Initiation fees are paid punctually.
Recruitment Chair	<u>Communicates</u> Sigma Chi financial obligations and provides information to prospective new members and parents.
House Manager	<u>Manages</u> house maintenance, repairs, and improvements in coordination with the house corporation and/or the university.
Kitchen Manager	<u>Oversees</u> operating of all food services. This includes preparing menus, ordering supplies, receipt of invoices, and oversight of all related vendors and employees. Depending on your chapter’s policies, the kitchen manager may operate under, alongside, or independent of the house manager.
Tribune	<u>Oversees communication</u> with alumni, including newsletters, email distributions, recognition and chapter news in order to keep alumni informed on the financial health and needs of the chapter.
All Officers	<u>Responsible</u> for developing and following a reasonable budget adequate to the needs of the office, but respectful of the sacrifice each brother makes in the form of dues for the good of the chapter.
All Active Members	<u>Responsible</u> for paying dues, bills, and other assessments on time, electing and supporting responsible officers, and providing input to the executive team on the financial operations and priorities of the chapter.

Executive Committee

The EC meetings are an important component of the chapter's financial management success. Nevertheless, it is important not to get bogged down in the minute details of the chapter's finances at these meetings. You should formally report on the financial status of the chapter at least once every month, including a summary of dues collections, recent major expenditures, upcoming major expenditures, and an analysis of the budget and cash flows with a focus on current or potential problems and significant deviations. Review the details prior to the meeting, and summarize for those in attendance. You may find it helpful to bring along copies of the following reports and file the copies:

- ◆ Balance sheet
- ◆ Budget vs. Actuals
- ◆ Accounts receivable aging summary

If your chapter uses a finance committee to set policy and make financial decisions, use the finance committee and its members to your benefit. Get these brothers onboard first, and have them help you sell your decisions to the rest of the brothers in the chapter.

Finance Committee

The purpose of this committee is to help you develop policy and manage the financial operations of the chapter. This group should consist of the Consul, Pro Consul, chapter advisor or financial advisor, and assistant Quaestor with yourself as chairman. This is your council of advisors on financial matters. This group should determine financial obligations, fees and fines, as well as when to send someone to collections.

This is the venue for discussing the chapter's finances in their totality, including brothers at risk for financial suspension. Make sure you are well prepared with current data for these meetings. Generally, the committee should meet twice a month.

Assistant Quaestor

Getting an education and managing the finances of what could be deemed a small business is a time consuming process. It is important to know that you do not have to do everything yourself. Delegation of certain tasks is an effective tool that leaders use wisely. A method of unburdening yourself is to appoint or elect an assistant Quaestor. The assistant should be a sophomore or junior brother interested in the financial operation of the chapter. Additionally, he should be someone with whom you feel comfortable working.

Once an assistant is in place, it will be important to sit down with him and set up a list of acceptable guidelines that outline his role and responsibilities. Solicit input from your advisor(s) or the FC members, since they too will have a working relationship with the assistant Quaestor. Responsibilities typically include:

- Learning the basics of the chapter's financial management program;
- assisting with the preparation of member invoices and the collection of payments;
- depositing monies with the chapter's banking institution;
- aiding in the formation and interpretation of financial reports;
- supporting the finance committee as the recording secretary;
- and performing all other duties deemed necessary by the Quaestor.

THE INTERNATIONAL FRATERNITY

Chapter Advisor and Financial Advisor

The chapter advisor serves as the chairman of the chapter advisory board and works directly with chapter officers and the chapter's executive committee. He is responsible to the International Fraternity for providing financial, risk management and programming oversight to a chapter.

He is a mentor, role model and coach. He is a great resource for support with regard to financial management. It is your responsibility to keep him up-to-date on the state of the chapter's finances. It is recommended that you communicate with him at least once a month. If your chapter subscribes to QuickBooks Online, you should provide him with a full-access account.

If you have a chapter advisory board, your chapter advisor may delegate any portion of the financial oversight and coaching to a financial advisor, who will be your personal mentor and coach in the financial management of your chapter. Some chapter advisors will remain involved in mentoring the Quaestor even when a well-qualified financial advisor is available. Be sure to clarify your relationship with your advisors and their relationship with each other early in your tenure in order to optimize your work with each other from the beginning.

Grand Praetor

The Grand Praetor oversees the operations of several chapters in a province. Some may require more communications than others. You may want to find out what he would prefer by addressing this issue in the infancy of your tenure. At the minimum, you should report to him twice a semester on the financial state of the chapter.

Balfour LTW Faculty

Balfour faculty members are trusted brothers who have successfully incorporated the values of Sigma Chi in their personal lives, and found success in their fraternal, professional, and/or community roles. They have accepted the call to assist you and your brothers in finding your own success—a call that extends beyond the week of Balfour LTW.

Throughout the year, your facilitator will follow-up with you on your strategic plan. Regardless of whether your faculty member is financial specialist, he is another source at your disposal to answer questions regarding your role as Quaestor and the challenges you may face. Even if he personally does not know the answers to your questions, he knows brothers who do and will help you to find the right answers.

Headquarters

Sigma Chi Headquarters employs a full-time staff member dedicated to supporting chapters with their financial operations. This individual serves as a link between the Sigma Chi financial management team, the General Fraternity and the undergraduate chapters. Working with chapters across the continent, this support member helps with all aspects of chapter financial management, providing depth and strength to augment your own experience, knowledge, and abilities.

House Corporation

Each chapter should have a functioning house corporation. The principal purpose of most house corporations is to serve as owner of the chapter house and its property. At some chapters, however, the house corporation leases the land or chapter house from the college or university, or may represent the chapter in negotiating use agreements for university-owned housing. Regardless, the house corporation either serves as the landlord to the chapter—managing the long-term responsibilities of mortgage payments, real estate taxes and property insurance, while providing for capital improvements to the chapter house—or serves as an advocate for the chapter.

The Quaestors' Corner (Facebook)

Many past and present Quaestors, Balfour LTW facilitators, and Headquarters staff members are members and participants in this Facebook group. Any brother can join. The purpose of this group is to provide a forum for questions, concerns, and important announcements that can be addressed in real-time.

Participation in this group allows discussion of all things Quaestor-related, and regular communication with our Grand Quaestor, Brother Tim Sanderson.

THE UNIVERSITY

The Greek Advisor

It is important to ensure that an accurate list of members should match with both the school and the International Fraternity to maintain integrity. Contact the Greek advisor to make sure these lists match at different times during the year. It is recommended you do so upon:

- ◆ formal pledging
- ◆ Initiation
- ◆ graduation

Bursar

For those chapters that remit payment to and collect money from the bursar's office, it is necessary to have a good working relationship with this person, as well as those in his or her office.

University Development and Alumni Relations

If your chapter does not have strong alumni relations or a local alumni chapter, your university's development or alumni relations departments can be an excellent resource for reconnecting with alumni for whom Headquarters does not have current contact information. Be sure to discuss these resources and how best to utilize them with your chapter advisor and Greek-letter advisor.

LOCAL BUSINESSES

Banking Institution

You will most likely see the individuals in your local banking institution quite often—either when making a deposit or clarifying a transaction. Depending on the size of your account and the array of services that you use, your bank may assign you an account manager. Take time to become familiar with the types of accounts and services available to you through your current bank, as well as any costs or fees that you may incur. At least once every two or three years, your chapter should review the different banks available to it and determine whether its needs would be best met with its current institution or a different one.

Utilities

Remember that everything that comes into or leaves your chapter house is associated with a fee—cable, internet, telephone, water, electricity, gas, sewage and garbage. Regardless of whether you have a chapter house or house corporation, you should be aware of what these services cost and consider how to minimize these costs. You also need to keep contact information available in case service is lost.

Merchant/Club Memberships

Many chapters keep a Sam's Club, Costco, or other retail club membership. Any one of several chapter officers would be an obvious choice to keep the physical card or pass, but explicit chapter policy should be established for which officer(s) keep the cards and how they may be checked out, borrowed, or otherwise used.

Accountant

Some chapters utilize an accountant to audit their financial operations, manage their finances, and/or file their tax reports. For those chapters that utilize this resource, it is important that you have this individual review the chapter account on a semi-annual basis.

Derby Days Sponsors

Prior to the commencement of Derby Days, some chapters solicit donations from local businesses for this philanthropic event. You may find it helpful to document the business that agreed to make a contribution. This list will be handy when it comes time to thank them for their support and contact them about future events. It is important that you do not rely on the same several businesses for sponsorship for all events or from year to year. Expand the chapter's relationships with all businesses in the community.

SECTION 4

Planning

The Balance Sheet
Financial Goals
Budgeting

The Balance Sheet

In the simplest terms, a balance sheet is a snapshot in time. A balance sheet will tell you how much cash you have but not how much is available for use. It will tell you how much money you owe and how much money is owed to you, but it will not tell you whether your debts or receivables are growing, shrinking, or delinquent.

The most important information that your balance sheet will give you in the day-to-day discharge of your duties as Quaestor is accounts payable/ debt and accounts receivable/ bad debts—money that the chapter owes to others and money due to the chapter. At the end of your financial year, the balance sheet provides a quick summary of your activities for tax accounting.

If you use an electronic accounting system such as Quickbooks or GreekBill, the balance sheet is maintained for you as you record income and expenses.

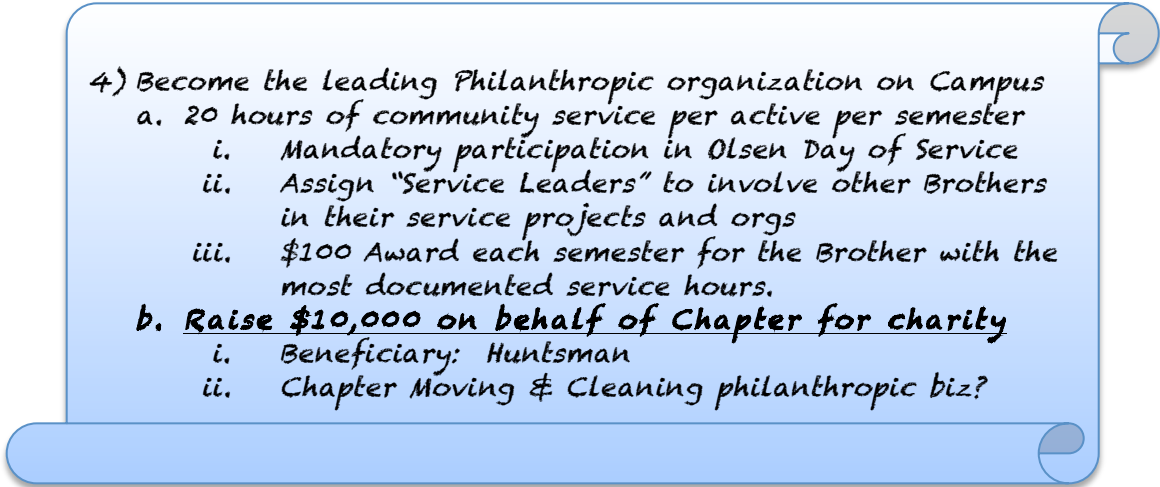
Because of what you can get from your balance sheet, it is an important document to generate whenever you are reporting on chapter finances to the FC, EC and chapter/ financial advisor, in preparation for key planning meetings and at the end of the year. The end-of-year and tasks associated with it are discussed later.

Financial Goals

As discussed earlier in the section on relationships (team-based financial management), every chapter should have a well-defined strategic plan and a budget that reflects that plan.

Your strategic plan may include action items with clearly financial aspects, such as saving for an initial payment on a new chapter house, retiring the mortgage on an existing chapter house, improving an existing chapter house, buying new furniture or A/V equipment, or establishing a scholarship fund. You, as Quaestor, may also have goals that only impact your office and your budget. Regardless of the size or scope of financial goals—regardless of whether they are part of a larger plan or an end in themselves—make sure that you have a plan or clearly defined path to achieve them.

Here is an example of a financial goal that can be part of a strategic plan:

- 
- 4) *Become the leading Philanthropic organization on Campus*
 - a. *20 hours of community service per active per semester*
 - i. *Mandatory participation in Olsen Day of Service*
 - ii. *Assign "Service Leaders" to involve other Brothers in their service projects and orgs*
 - iii. *\$100 Award each semester for the Brother with the most documented service hours.*
 - b. ***Raise \$10,000 on behalf of Chapter for charity***
 - i. *Beneficiary: Huntsman*
 - ii. *Chapter Moving & Cleaning philanthropic biz?*

Here is an example of some financial goals that may not be part of a strategic plan:

- 1) *Create a Chapter Financial Manual*
 - a. *Download electronic copy of BLTW Quaestor Manual*
 - b. *Update/replace accounting and billing section with step-by-step instructions for doing tasks with GreekBill*
 - c. *Update/replace relationships section with detailed specifics for our chapter*
 - d. *Email a copy of final manual to advisors and Headquarters*
- 2) *Get a locking file cabinet to secure documents, checks, etc.*
 - a. *Key lock, four drawers vs. double wide two drawers*
 - b. *Try Craigslist (cost limit \$100)*

Budgeting

What Is A Budget?

A budget is a money plan. It is the most fundamental and effective financial management tool available to anyone—yes, anyone—regardless of whether you manage hundreds of dollars a year or millions.

For a chapter, a good budget has two parts:

- 1) a schedule of expected revenue, expenditures and investments, and
- 2) a schedule of cash flows, mapping out when and how much money is expected to be received or spent.

When done correctly, the first part of the budget will look like a forecast of what the balance sheet will look like at the end of next year, if all goes according to plan; the second part looks like a forecast of bank transactions based on the items from the first part, but broken down into manageable time chunks of two to four weeks, showing that the checking account will never get close to a negative or zero balance.

Together, these two parts of a budget will help you organize and monitor the flow of money into and out of the chapter, achieve lofty goals, get more for the money you spend and accomplish more with the time and effort you dedicate to being Quaestor.

What is Budgeting?

When done correctly, budgeting is the process by which a chapter creates and generates support for the financial plan as part of the overall strategic plan. Budgeting proceeds in four phases: analysis, planning, review and revision and ratification.

Analysis: a review of the current and recent years' budgets and/or actual expenditures that examines successes, failures and on-budget vs. off-budget events/items. As a general rule, income or expenditures that are off budget by more than 10 percent need to be examined and the reason for discrepancy determined. Each officer should do this for his own budget at least once each semester or quarter.

As Quaestor, you should look at your officer-specific budget, dues, charitable collections, each officer-specific budget and any other event, category, or item that comprises more than 1 percent of the total chapter budget every month. This review will be the core of discussion at about half of your FC meetings, and it will be the foundation for your participation in and contribution to EC, as well as your monthly reports to the chapter and advisor(s).

At a minimum, every officer analyzing a budget variance should be answering these questions as he is summarizing the reason for the variance: Did prices go up? Did we find a cheaper vendor? Did something unexpected or unplanned come up? Has this happened any other time recently? Is this going to happen again?

Most often, the analysis will be done on a scrap of paper or a printed copy of the budget. That's normal. A formal analysis isn't needed for every deviation from the budget, but keep your notes because this phase of budgeting is a critical part of the officer transition. Your notes will help you to prepare a 1-to-2-page summary (or "State of the Office" report) for the chapter, advisors and historian. Your notes will also help your successor to prepare for his post-election strategic planning and budgeting retreat.

Planning: the best and worst part of every budget is that it will rarely match reality. However, that is not a reason to skip planning. Successful individuals in every profession consistently report that when challenges arise, it is easier to change a well-formulated plan than to create one from nothing. The growth of mold in a medical research lab may have been an accident in 1928, but it became a world-changing discovery in 1929 because it happened in the laboratory of a scientist who had a very thorough and detailed research plan prior to the accident.

This phase of budgeting starts shortly after elections, during the individual officer transitions as each officer-elect learns the details of the office he is to fill. This phase of budgeting comes to center stage during the post-election officer retreat and strategic planning weekend. Each officer uses his predecessor's "state of the office" report, his own analysis of prior years and his fellow executive committee members-elect to formulate a plan for next year. When the strategic plan has been finalized, then a budget that reflects the priorities of the plan has to be formulated. In addition to each line (event, item, expense and revenue) supporting the ongoing operations of the chapter and the strategic plan, the numbers and how they are calculated should be reviewed to make sure that how they are formulated still makes sense. For most chapters, in most years, part of this process will be continuing prior years' budgets with a small increase to account for chapter growth and/or inflation.

If the chapter has gone through a period of significant growth (or attrition), changed its housing arrangements, or is operating in some other significantly different way, then portions of the budget may need to be torn down to raw data and recalculated.

At the end of this phase, you should have a first draft schedule of expected revenue, expenditures and investments, and you should start composing/ updating the schedule of cash flows.

Review/Revision: This part is very important because income and expenses never come in all at once. In the cyclical life of a typical chapter, expenses can easily outstrip dues revenue at the beginning of the year, especially because RMF payments are due in September and January—long before many chapters have collected even half of the semester’s dues. A large event early in the semester such as a formal interaction or recruitment can break the bank if not carefully planned and budgeted using a schedule of cash flows.

Building the schedule of cash flows will help you identify if and when shortfalls might occur. Go back to the chapter’s master calendar (put together earlier in the strategic planning retreat) and the first part of the budget (the schedule of revenues, expenditures and investments) to reassess: Will dues have to be increased or installment payments required earlier? Does the chapter need to raise money by organizing work parties? Or do events, purchases, or investments need to be delayed or scaled down? Typically, there are many good solutions, a couple great solutions and only one bad solution: ignoring the problem.

At the end of this step, you will have a budget that reflects the strategic plan without risking the solvency of the chapter. Furthermore, by going through this process, you should find that the executive committee has developed a robust understanding of the chapter’s finances and is committed to the financial success and well-being of the chapter at large—a buy-in that is critical for the final step of budgeting.

Ratification: In this, the final step of budgeting, the chapter approves the financial plan and commits to give support in making it happen. By necessity, this should be presented with the strategic plan and include the announcement of what dues will be and how they will be collected during the upcoming year.

Every chapter does this step in a different way, but the end result should be the same: approval and commitment, or disapproval, discussion and a return to the planning/ budgeting process. A successful budgeting process should result in sufficient debate and discussion that the executive committee members are prepared to answer questions, address concerns and get buy-in from the chapter without having to return to the planning/ budgeting process. However, regrouping and replanning to get a plan that the chapter can support is better than proceeding without a plan at all.

Throughout the budgeting process, your advisor(s) should be involved. He/ they will help you to build strategic plans that ensure growth and progress over multiple years, identify alumni resources, engage the alumni, identify problem areas and develop solutions that are appropriate to both the challenges you face and the talents of your chapter.

SEVEN FEATURES OF A SUCCESSFUL BUDGET

When it comes to financial management, the same few problems rear their ugly heads with surprising regularity. Here are several features of a budget that is likely to avoid the common mistakes.

1. Categories that fit your chapter's situation, spending habits, and goals/plans.
2. Accurate, realistic income and expense projections.
3. Enough categories to give you a meaningful picture of where your money goes and where you might be able to cut costs, but not so much detail that tracking is a chore that you'll soon tire of. See the following chart of accounts for a general idea.
4. Inclusion of expenses that don't occur on a monthly basis, such as annual dues, insurance premiums, property taxes, service contracts, etc.
5. A line item for savings so you treat a contribution to your savings account just as you would a bill or debt.
6. Realistic, written goals developed from your strategic plan. Without goals, your budget is just a pair of handcuffs.
7. It helps you to identify spending patterns you may not have been aware of when you weren't planning and tracking your spending.

Chart of Accounts

EXPENSES	INCOME
Bank Charges	Ad Sales (Derby Days)
Campus Activities	Billable Expense Income
Disposal Fees	Chapter Fines
Dues & Subscriptions	Contributions Income
Employee Benefit Programs	Fees Billed
Equipment Rental	• Chapter Dues
Gifts, Flowers, Awards	• Liability Insurance
House Mother	• Officer Discounts
Housing Costs	• Parlor Dues
• House Corp. Lease	• Pre-Payment Credit
• Janitorial Services	• Rush dues
• Repair & Maintenance	• Social Dues
• Supplies	• Sports Discount
• Telephone	Food Bill
• Utilities	Grant Income
Insurance	Housing
Insurance-Workers Compensation	• House Rent
Kitchen	• House Utilities
• Food	IFC Dues
• Kitchen Salaries	Initiation Fees
• Uniforms & Linens	Program Fees
Legal & Professional Fees	Refunds-Allowances
Office Expenses	Restricted-Contributions
Parties	T-Shirt Sales
Postage	Unrestricted-Contributions
Salaries & Wages	
Subcontractors	
T-Shirt Printing	
Taxes & Licenses	
Taxes on Payroll	
Travel	
Travel Meals	

Operations

Banking
Checks
Handling Cash
Debit and Credit Cards
Collections and Suspension
Giving
Taxes & End of Year Tasks

BANKING

The relationship you have with your bank is one of the most important financial relationships you can have outside of Sigma Chi. With the amount of money flowing through an average chapter, your account will be larger than most of the consumer accounts and many of the commercial accounts at your local branch, and that should make you an important customer. Some banks will assign an account manager to your chapter. That manager will have two tasks relative to your account:

- 1) keep your money at the bank, and
- 2) increase the number of banking services that you use.

This will, to some extent, include “keeping you happy.” It will definitely include making sure you are aware of the services that the bank has to offer. If you have an account manager, make sure you know him or her. An account manager can answer questions about your account, quickly fix errors, and even help you achieve greater success with your philanthropic efforts.

At least once every two or three years, you should re-evaluate where you will do your banking. The more important your account is to the bank, the more they will be willing to do in order to keep your account. Accordingly, you should make sure that you consider local banks. Online banks (e.g. Ally) are another option to consider. You give up the convenience of a brick-and-mortar branch, but the interest rates can be higher and the service fees lower. Be sure to compare banks based on what it will cost to get the services *you* need—not based on what they charge for services in general. Keep in mind that changing banks will require changing the checkbook, so it is usually most convenient to check out what’s available a couple months before you will need to order new checks. Never change banks without consulting with your chapter advisor and/or financial advisor first.

CHECKS

Writing checks

When writing a check, make sure you properly fill all of the blanks, including a few words or a document reference on the memo line regarding what it’s for. This strengthens the paper trail for the transaction. It is also important that you draw a line after the last digit of the amount to the word “*dollars.*” This makes fraud more challenging.

When issuing handwritten checks, always record the check in the register ***at the time the check is written.*** DO NOT RUSH THIS PROCESS. Record all pertinent information pertaining to the transaction. It is recommended that you calculate the balance after each entry. Here is an example illustrating the proper method.

Number or Code	Date	Description	Payment, Fee, Withdraw (-)	ü	Deposit, Credit (+)	Balance
1855	2/10/05	Vantine Composites	1200.00			21356.78
1856	2/13/05	Derby Days T-Shirts	650.00			20706.78
1857	2/13/05	Derby Days Reception Food	200.63			20506.15
Dep	2/15/05	Membership Dues			3150.00	23656.15
Fee	2/20/05	Reorder of Checks	14.00			23642.15
1858	-	VOID	-	-	-	-
1859	2/28/05	Williamsburg Florist- Roses for Sweetheart	60.35			23581.80

Reconciling

Each month you will receive a statement from the bank detailing the chapter's account(s). The balance on the bank statement will rarely match the balance(s) you have in your register(s). This is when you must reconcile your bank statement and account balance(s) to your register(s). If you use an electronic accounting system, most of the work of reconciliation will be done for you. If you do not use an electronic accounting system, you will need to reconcile the bank statement manually. Regardless, you should understand how the process works so that you can do it and diagnose problems.

Step 1. Adjusting the Balance per Bank

The first step is to adjust the *balance on the bank statement* to the true, adjusted, or corrected balance. The items necessary for this step are listed below:

Step 1.	Balance per Bank Statement on Aug. 31, 2013
	Adjustments:
	Add: Deposits in transit
	Deduct: Outstanding checks
	Add or Deduct: Bank errors
	<hr/> Adjusted/Corrected Balance per Bank <hr/>

Deposits in transit are amounts already received and recorded by the chapter, but are not yet recorded by the bank. For example, you deposit dues collected during the first week of classes into the bank's night depository at 10 p.m. on Aug. 31. The bank will process this deposit on the morning of Sept. 1. As of Aug. 31 (the bank statement date), this is a deposit in transit.

Because deposits in transit are already included in the chapter's cash account, there is no need to adjust the chapter's records. However, deposits in transit are not yet on the bank statement. Therefore, they need to be listed on the bank reconciliation as *an increase to the balance per bank* in order to report the true amount of cash in the account.

A helpful rule of thumb is "put it where it isn't." A deposit in transit is on the chapter's books, but it isn't on the bank statement ... so put it where it isn't: as an adjustment to the balance on the bank statement.

Outstanding checks are checks that have been written and recorded in the cash account, but have *not* yet cleared the bank account. Checks written during the last few days of the month plus a few older checks are likely to be among the outstanding checks.

Because all checks that have been written are immediately recorded in the chapter's cash account, there is no need to adjust the chapter's records for the outstanding checks. However, the outstanding checks have not yet reached the bank and the bank statement. Therefore, outstanding checks are listed on the bank reconciliation as a *decrease in the balance per bank*.

"Put it where it isn't." An outstanding check is on the chapter's books, but it isn't on the bank statement. Put it where it isn't: as an adjustment to the balance on the bank statement.

Bank errors are mistakes made by the bank. Bank errors could include the bank recording an incorrect amount, entering a transaction that does not belong on the bank statement, or omitting a transaction from the account. You should notify the bank of its

errors. Depending on the error, the correction could *increase or decrease the balance shown on the bank statement*. (Since you did not make the error, the chapter's records are not changed.)

Step 2. Adjusting the Balance per Books

The second step of the bank reconciliation is to adjust the balance in the cash account so that it is the true, adjusted, or corrected balance. Examples of the items involved are shown in the following schedule:

Step 2.	Balance per Books on Aug. 31, 2013
	Adjustments:
	Deduct: Bank service charges
	Deduct: NSF checks & fees
	Deduct: Check charges
	Add: Interest earned
	Add: Notes Receivable collected by bank
	Add or Deduct: Errors in Cash account
	<hr/> Adjusted/Corrected Balance per Books <hr/>

Bank service charges are fees deducted from the bank account as payment for the processing of account activity such as accepting deposits, posting checks, mailing the bank statement, etc. Other types of service charges include the fees charged for **overdraws** and **stop payment orders**. Banks usually deduct these charges or fees without notifying you in advance. When that occurs, you usually learn of the fees only after receiving your bank statement.

Because the bank service charges have already been deducted on the bank statement, there is no adjustment to the balance per bank. However, the service charges will have to be entered as an adjustment to the chapter's books. The amount of the fee will need to be deducted from the chapter's cash account and added to the bank charges account.

"Put it where it isn't." A bank service charge is already listed on the bank statement, but it isn't on the chapter books. Put it where it isn't: as an adjustment to the Cash and Bank Charges/Expense account on the chapter books.

An **NSF (not sufficient funds) check** is a check that was not honored by the bank of the person or company writing the check because that account did not have a sufficient balance. As a result, the check is returned without being honored or paid. Often the bank describes the **returned check** as a return item. NSF checks are referred to colloquially as "rubber checks" because they "bounce" back to the bank from which they are written. When an NSF check is deposited, the recipient of the check receives no funds and is charged a service fee for returning the check to the bank with the originating account.

There is no need to adjust the balance per the bank. However, if you have not done it already, you need to deduct the amount of the check from your cash account along with the check return fee, add both to the accounts receivable, and bill the individual again.

Check printing charges or **check order fees** occur when you order checks through your bank (sometimes a cheap option ... sometimes not). The cost of the checks will be deducted automatically from your checking account.

Because the check charges have already been deducted on the bank statement, there is no adjustment to the balance per bank. However, the check charges need to be entered as an adjustment on the chapter books. They will be a deduction to the cash account and an increase in the bank charges/expenses account.

A check charge is on the bank statement, but it isn't on the chapter books. "Put it where it isn't" as an adjustment to the cash and bank charges/expenses accounts in the chapter books.

Interest earned will appear on the bank statement when a bank pays interest on account balances. The amount is added to the account balance automatically and reported on the bank statement. There is no need to adjust the balance per the bank statement. However, the amount of interest earned will increase the cash balance in the chapter's books.

Interest received from the bank is on the bank statement, but it isn't on the chapter books. "Put it where it isn't" as an adjustment to the interest income and cash accounts in the chapter's books.

Errors in the chapter's cash account result from incorrect entries, entering a transaction that does not belong in the account, or omitting a transaction that should be in the account. Since you made these errors, the correction of the error will be either an increase or a decrease to the balance in the cash account in the chapter's books.

Step 3. Comparing the Adjusted Balances

After adjusting the *balance per bank* (Step 1) and after adjusting the *balance per books* (Step 2), the two adjusted amounts should be equal. If they are not equal, you must repeat the process until the balances are identical. The balances should be the true, correct amount of cash as of the date of the bank reconciliation.

This process is critical in the financial management of the chapter. It is one of the simplest and most powerful tools you have to help identify problems early. Having said that, it can be very challenging the first few times you do it. Even if you reconcile your bank accounts correctly, it can be challenging to fix any accounting errors found; as the number of errors involved increases, the difficulty of identifying and fixing them increases exponentially. This means that you should do it every month. If you have difficulty with this process, contact your financial advisor, chapter advisor, or Balfour LTW facilitator (in that order) for help immediately. We all understand how challenging this process can be and are committed to helping you succeed.

HANDLING CASH

If you handle cash as part of your chapter operations, that cash needs to be secured in a safe large enough, heavy enough, or sufficiently secured that it cannot be carried off by one person, or in a locking cash box that is stored in a locked cabinet at all times. Only you should have unlimited access to the cash; one other person should be able to access the cash, but only with your assistance. Cash on hand needs to have its own ledger or line in your Accounting system—treat it as you would a bank account. The cash should be counted at least once each week, reconciled (matched) with the balance for cash on hand in the accounting records, and any excess cash (more than you will need for the next two weeks) deposited along with any checks received. When counting or depositing cash, you should have a witness (assistant Quaestor or other FC member) present throughout the process.

DEBIT AND CREDIT CARDS

Many chapters have made their finances completely electronic—from accounting to dues collection. With online accounting, phone-based card readers, and other conveniences unheard of even 10 years ago, it has never been easier for a chapter to stay on top of its money, or for a brother to stay current on his dues. We encourage chapters—in consultation with their advisors—to continue exploring options that make it easier for brothers to fulfill their financial obligations and that simplify chapter financial management.

However, *it is the official recommendation of the International Fraternity that individual chapters NOT use debit cards or credit cards.* Card services make it too easy for irreversible financial disaster to happen ... and happen quickly. The most common reason for keeping a chapter credit or debit card is that it's "so much more convenient than using checks." We agree: cards *do* make spending money easier, but they also make it easier to use money inappropriately. Card spending is harder to track, harder to keep within budget restraints, and harder to recover when the card is used inappropriately. *If your chapter decides that it must have a card, it is critical that you also have strict policies regarding acceptable card use, receipts, and recovery of unapproved spending. If your chapter decides that it must have a card, every individual member of the chapter accepts responsibility for paying off any debt that cannot be paid from chapter funds or recovered by other means.*

COLLECTIONS and SUSPENSION

Collections are a very difficult part of chapter financial management. Turning a brother over to collections is a very difficult decision. As we develop close relationships with our brothers, the last thing we want to do is ruin their credit rating or cause them further financial hardship.

It is important for your chapter to develop and clearly communicate a fair financial policy on collections. This way everyone understands the rules and consequences of not paying their bills on time. Not having a clear policy or set of financial bylaws leaves the Quaestor standing alone holding the "bad guy" stick and having to clean up the chapter's problems personally. Effective financial policies or bylaws will delineate a clear timeline issuing formal notifications, late fees and letters to parents, as well as conditions under which a case must be submitted for judicial board review and/or collections.

Developing the habit of fulfilling commitments will benefit a brother throughout his life. A man who makes the necessary sacrifices to keep his commitments will enjoy greater self-respect and earn the respect of others. A man who keeps commitments is trusted, but when financial commitments are not honored, painful consequences frequently follow.

Further more, when a brother is delinquent in his financial responsibilities, it places an unfair burden for the welfare of the chapter on the shoulders of his brothers. Common welfare cannot exist without personal responsibility.

COLLECTION PROCESS

From pledging to graduation, a good collection process is built on clear communication, consistent follow-through and meticulous documentation. Listed below are the key documents and correspondence you should use and maintain. Templates for many of these documents can be found at sigmachi.org/quaestor

Code of Conduct for Pledges (Magister Guide, Appendix E)	To be discussed and signed at the first pledge meeting. Includes a commitment to “meet my financial obligations when they are due”. Keep a copy in the Quaestor records until Initiation. If not initiated, keep until all debts paid.
Quaestor’s Letter to Parents	Parents like to know what their children are doing. After the pledges have signed the code of conduct at the first pledge meeting, send a letter home regarding their decision to join Sigma Chi and what that will mean financially. Knowing up front will help to diffuse a lot of potential antagonism later, especially for first-generation college students.
Financial Commitments	A more comprehensive financial contract that should be used for all active members. These only need to be signed once, but a copy must be maintained in the Quaestor’s records at all times, until a member advances to alumni status and has paid all his debts.
Communication Letter	Like the Quaestor’s letter to parents, this is a good way to inform or remind members and their parents about debts, dues and major financial plans. Think of this as an investor newsletter—it only costs a little time and ink, but it buys you enormous goodwill. It should be sent prior to the start of the academic year and any other time that dues are assessed.
Monthly Invoice	Monthly invoices should be sent out by the first of each month to remind members of their prior balance, notify them of payments received and inform them of new charges or fines. It helps avoid confusion and discrepancies.
Member Statement	A member statement can be created and sent any time during the month in order to remind members of their bill history or clarify for them what their current balance is. Statements can be emailed and/or mailed as a hard copy.
60-day Notice	When an account is 60 days overdue, a 60-day notice and current account statement are sent to the member via registered or certified mail. The receipt and tracking information are part of your documentation.
90-day Notice	When an account is 90 days overdue, a 90-day notice and current account statement are sent to the member via certified mail, giving the member a final warning before involving a collection agency and/or suspending him.
10 days after 90-Day notice	Once the steps above have been followed, the final step in collecting an unpaid balance from a member is to turn them over to a collection agency. At this time, you will need to determine whether to suspend his membership as well.

FINANCIAL SUSPENSION

One method of holding a brother accountable to the chapter and the Fraternity is to suspend his membership. In order to financially suspend a member of your chapter, you must submit a Form 50 (available online) to the director of financial accountability.

Pursuant to Executive Committee Regulations 7.02-1 and 7.02-3 (see Section 8), an active member may be proposed for suspension of membership in the Fraternity for financial delinquency by:

- 1) a two-thirds vote of the chapter members present and voting,
- 2) five alumni members, or
- 3) the Executive Committee.

The Quaestor, an alumnus, or the Executive Committee must certify that the delinquent member has been notified of the debt, that a reasonable effort has been made to collect the debt and that the delinquent member has been served notice that his delinquency is being referred to the General Fraternity for action.

The completed request must be reviewed and signed by the chapter advisor and Grand Praetor before prior to submission to Headquarters. Upon receipt of the written request, the executive director will inform the delinquent member by certified mail of the proposed action, the consequences and the methods of resolving the delinquency without the Fraternity's Executive Committee involvement.

If the debt is not paid, settled, or contested prior to the date of the next Executive Committee meeting, the delinquent member's case will be reviewed by the Executive Committee and appropriate disciplinary action taken after being given at least 30 days from the date of the initial executive director notification to reconcile his account.

Once suspended, a member will be expelled automatically after one year if he fails to pay, settle, or successfully appeal his debt.

REINSTATEMENT

As financial suspension is executed at the request of the chapter, reinstatement is done in a similar manner. If a suspended or expelled brother desires to be reinstated, he must first settle his balance with his chapter. Once the director of financial accountability receives a request from the brother to be reinstated addressed to the General Fraternity's Executive Committee and confirmation from the chapter (Consul, Quaestor, or chapter advisor) that he is in good financial standing with the chapter, his petition will be presented to the Executive Committee for final consideration.

BENEFITS

- ◆ Holds brothers accountable to the themselves, the chapter and the Fraternity.
- ◆ May relieve the chapter of the suspended member's semi-annual dues and RMF fees.

MYTHS

- ◆ The request is not sent to a collections agency.
- ◆ Financially suspending a brother does not affect his credit.

GIVING

Why is giving an important part of financial management? Is giving only financial?

A well-balanced financial plan should always include giving. As we prosper, we should give to those that are less fortunate. Giving can take many forms; money is just one way to give. Learning to give time, talents and treasures is a way to allow everyone to participate and may be more meaningful in certain circumstances. Just because your chapter becomes short on cash does not mean it has to stop giving. Volunteering time in your local community or serving others with some of the unique talents from your chapter are very important ways to give.

What are some of the benefits of giving?

The person giving usually benefits as much if not more than the person receiving the gift. It is a way we can serve others. Do you recall the last time someone gave you a gift and how it made you feel? Look for ways to serve your school, community and even your fellow brothers.

How is your chapter doing in the area of giving?

Your chapter should develop goals and plans around giving just like every other part of your chapter operations. Challenge every brother to get involved and look for ways that he personally can contribute to reaching your goals.

What does Sigma Chi recommend?



The Huntsman Cancer Foundation is the preferred philanthropy of the Fraternity. Balfour LTW is made possible by the generous support of the Sigma Chi Foundation. Chapters are encouraged to allocate 10 percent of their philanthropic giving to the Foundation to pay it forward.

END OF YEAR and TAXES

In the United States and Canada, the calendar year is the default financial year for tax purposes. Taxes are due 3 to 4 months after the end of the year—April 15 in the U.S. and April 30 in Canada. However, the fiscal (financial calendar) year can be whatever is most convenient or logical for the entity. For academic organizations, the fiscal year starts and ends sometime during the summer. Sigma Chi recommends July 1 to June 30.

Regardless of when your year ends, there are tasks that **must be performed within one month** for records maintenance and tax purposes. For your own sanity, it is recommended that you do not conduct any transactions in the last three days of your fiscal year.

For practical purposes, we treat taxes as a specific end-of-year task and only briefly. For a comprehensive treatment of taxes, or if you have any questions about taxes, speak with your chapter advisor, financial advisor, your accountant, or a licensed tax professional.

END OF YEAR

If you use a **manual accounting system**, do the following as part of your year-end tasks:

1. Total out Expenses by transferring to Retained Earnings/Savings.
2. Total out revenues by transferring to retained earnings/savings.
3. Track (depreciate) fixed/durable assets.
4. For US chapters only: Prepare and send IRS Form 1099 to your vendors. Use 1099-MISC to report payments made to vendors who performed business-related services for your chapter. If the vendor is a corporation or if total annual payments to the vendor do not equal or exceed \$600, you are not required to prepare a Form 1099-MISC for that vendor.
5. Run reports for the year and verify their accuracy.
 - a. First, use the “common sense” review. \$1,000 for office supplies/stationary is excessive and probably a mistake. Drill down on the numbers and examine the individual transactions for errors, typos, or incorrect posting.
 - b. If everything passes the “common sense” test, then examine a few transactions from a few accounts and make sure that everything was entered and posted correctly.
 - c. Enter adjusting entries as necessary and rerun the reports.
6. Print and file the following reports as of your closing date:
 - a. General ledger,
 - b. Balance sheet,
 - c. Statement of cash flows,
 - d. Inventory valuation summary (if applicable), and
 - e. Profit and loss report for the year.

If you use an **electronic accounting program**, there should be a shortcut or guide for doing the end-of-year entries. QuickBooks has historically made an excellent checklist available in the help menu. Regardless, make sure that you, or the program, perform all of the steps for a manual accounting system. Additionally, you need to:

1. Back up your data file on a special CD or flash drive that will never be touched.
2. Set the closing date to the last day of the period you are closing.

TAXES

The tax code and filing requirements vary from country to country and from state to state. It is imperative that the Quaestor possess a thorough understanding of local and national tax laws. Failure to comply with tax laws can result in severe financial penalties to the chapter and great inconvenience.

We only discuss national or federal requirements here, and that only briefly. Your chapter may be liable for state or local taxes, as well. For a comprehensive discussion of taxes, or if you have any questions about taxes, speak with your chapter advisor, financial advisor, accountant, or a licensed tax professional.

Canadian Chapters are required to file Form T-1044 with the Canadian Revenue Agency no later than six months after the end of your fiscal year only if the chapter:

- received taxable interest, dividends, rents, or royalties in excess of \$10,000 during the fiscal year;
- has assets of \$200,000 or more; or
- has filed Form T-1044 before.

US chapters are all required to file Form 990 with the Internal Revenue Service (IRS) by the 15th day of the fifth month after the close of their fiscal year, and then mail, email, or fax a copy to Headquarters. It comes in three versions:

- Form 990-N (electronic postcard): chapter revenues less than \$50,000
- Form 990-EZ
 - chapter revenues less than \$200,000
 - AND total assets less than \$500,000
- Form 990: all other chapters
- Form 990-T: chapters with investment or business income exceeding \$1,000

US chapters that have not yet established tax-exempt status (or failed to submit Form 990 for too many years) may apply for recognition using IRS Form 1024.

US chapters with employees or contract workers will have additional reporting and tax requirements due at specific times of the year, including:

- Income, Social Security, FICA and Unemployment taxes and withholding
- Quarterly tax returns
- Unique reporting forms
 - Form 1099-MISC: Payments to independent contractors or for rents
 - Form 945/V: Report of contractor tax withholding; filed quarterly
 - Form 941/V: Report of employee tax withholding; filed quarterly
 - Form 940: Employer's federal unemployment tax
 - W-4: Filled out by employee at time of hire and filed with the state department of labor
 - W-3: Transmittal of wage and tax statements
 - W-2: Tax and income summary for employees, Social Security Administration and IRS.

Because of the complexity of US tax laws, we recommend that any chapter that might need to file anything other than Forms 990-N or 990-EZ consult a licensed tax professional. Further information on filing requirements may be found in Circular "E" Employer's Tax Guide, available at [irs.gov](https://www.irs.gov) or at the local office of the IRS.

SECTION 6

Accounting and Billing

QuickBooks Online
GreekBill

Accounting Systems

There are nearly as many different approaches to tracking chapter finances as there are chapters. Electronic and online accounting programs are now standard practice. It is important that you work with your chapter or financial advisor closely to select a system with which both of you are comfortable.

The most commonly used programs/vendors are GreekBill and QuickBooks. The following sections offer an overview of the information that is most commonly asked regarding these two options. For more information, you may ask other Quaestors, your facilitator, chapter or financial advisor, or specific vendors directly.

GreekBill

GreekBill has an exclusive pricing arrangement for all Sigma Chi chapters. It is designed to give you the tools and reports you need to successfully manage the chapter's finances without having to spend inordinate amounts of time tracking down members and organizing documents. GreekBill increases organization, improves communication and maximizes productivity by making your most common tasks simpler and electronic.

GreekBill can also simplify collections by acting as the chapter's receivable company. By eliminating the frustration and time spent handling accounts receivables, GreekBill can help you to function more as a CFO and less as a bill collector. You can also manage members by placing them in groups according to membership status, housing status and other categories. Adding charges for dues, rent, T-shirts and other fees is as easy as selecting the member(s) and entering an amount and a charge description.

What are the costs of this system to my chapter?

GreekBill offers Sigma Chi chapters exclusive pricing, which is unavailable to any other Greek-letter organization. Those prices are:

GreekBill Full Service (Paper and EBilling)

- GreekBill service fee: \$10.50 per member, twice a year.
- Electronic transaction fee (Credit card, debit card, Echeck): 2.5 percent.

GreekBill Full Service (EBilling only)

- GreekBill service fee: \$5.50 per member, twice a year
- Electronic transaction fee (Credit card, debit card, Echeck): 2.5 percent.

Do I have to install and manage a software program on my computer? No, this system is completely Internet-based, so all you need is a computer with a high-speed internet connection.

Is my data secure and do I have to back-up my data? Yes, your data is completely secure and is backed up automatically by GreekBill.

How will I get help or support when I need it?

Live client support, Monday through Friday, 7 a.m. to 5 p.m. PST, including LiveChat, telephone, email, and GreekBill task support.

As the Quaestor, “What is in it for me?”

Below are some of the features and benefits offered by GreekBill:

- Monthly billing
- Real-time member information
- E-Bill reminders
- Electronic contracts
- Build and track chapter budget
- Bank account reconciliation
- Invoice batch printing at any time
- Real-time financial/accounting reports
- Complete overview of chapter financial status at all times
- Automated payment plans and payment plan management
- Add charges at anytime to any number of member accounts
- Weekly direct deposits from GreekBill into chapter-designated bank account
- Dedicated account manager
- Preparation of tax Form 990
- Bill pay service (if desired)
- GreekBill collection services (optional)

QuickBooks

QuickBooks is an accounting program widely used with private small businesses, but has been adopted by chapters for similar uses.

What are the costs of this system to my chapter? QuickBooks Online is \$172 per year for a three-user system.

Do I have to install and manage a software program on my computer? No, this system is completely Internet-based so all you need is a computer with a high-speed internet connection.

Is my data secure and do I have to back up my data? Yes your data is completely secure and is backed up automatically by the QuickBooks system.

How will I get help or support when I need it? The QuickBooks fee includes online and 1-800 technical support. We will also assign an experienced Quaestor who has used the system as a mentor to you for help.

As the Quaestor what is in it for me? This system will allow you to move from working in a reactive role to one of being proactive at managing your chapter's finances and will give you practical / hands-on financial management experience to take into the business world when you graduate.

The Transition

Transitions are an important component of a chapter's operations. Transitions allow incoming officers to feel more comfortable about the roles and the responsibilities that they are about to undertake by giving incoming officers an opportunity to learn from the experiences of their predecessors.

It is important to have at least two formal transition meetings during your tenure: One when you take office and one when you leave. These meetings should take place within 10 days of elections—before meeting with your advisor, and before your executive committee transition retreat for strategic planning and budgeting the upcoming year. When meeting with your predecessor and successor, you will want to cover the follow items:

- ◆ Explain the Quaestor's role and responsibilities.
- ◆ Explain and review the current operating budget.
- ◆ Work through a rough draft of the upcoming year's budget.
- ◆ Explain your filing system for all financial documents, such as bills and receipts. It is important to realize that not everyone does things the same way, and your method might not be understood easily by the next person.
- ◆ Transfer of any paper or electronic files, including the Quaestor manual and chapter SOP (if one exists)
- ◆ Review the chapter's bank account and explain what services are offered by your banking institution
- ◆ Review and reconcile the checkbook / chapter account
- ◆ Audit the chapter accounts
- ◆ Obtain any log-in names and passwords for software or online banking services
- ◆ Discuss any and all financial issues facing the chapter, especially any
 - Debts
 - Collections
 - Pending suspensions
- ◆ Provide a contact list of all individuals associated with the financial management program

Because of the amount of material to review, you may need to break up the transition meeting into parts; that's fine, as long as the first meeting takes place within 10 days of election, and all material is covered within one month of election.

Within one week after your initial meeting you will want to:

- ◆ Contact your chapter advisor or financial advisor for additional training
- ◆ Call Headquarters to see if your chapter's account is up-to-date
- ◆ Remove the names of the previous individuals with check signing privileges at your banking institution
- ◆ Add the names of the new individuals with check signing privileges at your banking institution
- ◆ Review the Quaestor manual and prepare for your training session with your advisor
- ◆ Convene your first meeting of the financial committee

**General Fraternity
Financial Bylaws
and
Index of Online
Resources**

STATUTES AND EXECUTIVE COMMITTEE REGULATIONS OF THE SIGMA CHI FRATERNITY CONCERNING FINANCES

Statutes every Quaestor should be familiar with. For all governing laws see the current SOP manual available at sigmachi.org.

Property and Finances - Dues and Fees

S5.05 At the time a candidate for membership is pledged, the chapter shall collect for the Fraternity from the candidate a Pledge Fee of \$100.00. The Pledge Fee shall be transmitted to the Fraternity with the report of pledging, for which the chapter shall receive a copy of the Fraternity pledge manual and a pledge button for the candidate to wear during Pledgeship.

S5.06 Before a candidate for membership may be initiated, the chapter shall collect for the Fraternity from the candidate an initiation fee of \$200.00. The Initiation Fee shall be submitted to the Fraternity with the Report of Initiation.

S5.07 For any members initiated between the months of January and June in a given calendar year, the chapter shall transmit \$100 per initiate as a Member Fee by October 15 of that same calendar year and another \$100 by the 15th day of March of the following year. For members initiated between the months of July and December of a given calendar year, the chapter shall transmit \$100 per initiate as a Member Fee by March 15 of the following calendar year and another \$100 by the 15th day of October of that same year. As of the 15th day of March and the 15th day of October in each year, each active chapter shall report to the Fraternity the names of the active members of the chapter.

E5.07-1 Each active member shall receive a subscription to *The Magazine of Sigma Chi* and *The Sigma Chi Bulletin* for the period covered by such dues payment.

E5.07-2 Active chapters shall report for all active members including those engaged in some cooperative work-study or off-campus curricular program, including any such program involving study outside the United States or Canada

Chapter Operation

S6.01 The members and officers of each chapter shall collectively discharge the responsibilities set forth in Statute 3.18.

E6.01-1 No active chapter shall conduct or allow to occur any event, activity or behavior which could be regarded as disrespectful of any minority group or women. Prohibitions include but are not limited to disrespectful skits, parodies, songs, parties, writings, attire or makeup.

Noncompliance with this regulation shall be a violation of Statute 3.18 and subject to sanction as provided in Sections 7.01 and 7.03.

S6.02 Each active chapter shall:

- a. Equip itself with proper Initiation paraphernalia, a roll book, and such other supplies as are necessary to operate a chapter;
- b. Adopt bylaws for its government, and file a copy thereof with the Executive Committee;
- c. Maintain satisfactory standards of scholarship, morals and discipline;
- d. Conscientiously apply the provisions of Section 3.07 to each prospective new member, and propose for membership only those persons eligible thereunder;
- e. Insure a continuing influx of such new members by means of its recruitment activities and pledge programs, and by initiations which shall be held only in the manner and form prescribed by the Ritual;
- f. Organize and conduct a suitable program of Pledgeship for each prospective new member, said program to be based on the contents of "The Norman Shield" and other pertinent publications of the Fraternity, and to involve no hazing, physical or mental harassment, or requirements which are inconsistent with the pledge's scholastic responsibilities;
- g. Hold regular chapter meetings in accordance with the requirements of the Ritual;
- h. Maintain communication with its alumni members, and encourage alumni representation at chapter meetings and initiations; and

i. Pay when due the full amount of any lawful dues, fees, or other charges owed the Fraternity by the individual active members and pledges of the chapter, whether or not such an individual has paid his share of such amount to the chapter.

E6.02-a-1 Active chapters shall purchase items of Initiation and/or Ritual paraphernalia and the roll book only from the General Headquarters or authorized suppliers.

E6.02-b-1 No active chapter or petitioning local shall form, conduct, sponsor or permit to function, officially or unofficially, any women's auxiliary, little sister, little sigmas or other group involving women students, which is in any way affiliated or identified with the chapter or the Fraternity. Such titles, identity or status shall not be conferred on an individual basis. Nothing in this regulation precludes a chapter from choosing a chapter sweetheart on an annual basis.

E6.02-c-1 All chapters must achieve, for each grading term in the academic year, a composite grade point average (for brothers and pledges combined) of a 2.5 on a scale of 4.0 (or the equivalent on another grading scale) or be above the institution's undergraduate all men's average, whichever is lower. For those chapters whose host institutions do not employ an equivalent numerical grading system, the chapter must achieve, for each grading term in the academic year, a composite average (for brothers and pledges combined) greater than that mandated for graduation from the host institution in the charter.

E6.02-e-1 Upon notification of a Chapter's non-compliance with Statute 6.02-e, 6.02-g and/or any of the Ritualistic Statutes, the Executive Committee will issue a Formal Warning to the Chapter. This will be done by a Certified or Registered Letter to 18 the Chapter, with copies to the Chapter Advisor and Grand Praetor. Such letter will direct the Consul to comply immediately and to certify within sixty (60) days to the Executive Committee, Chapter Advisor and Grand Praetor that the Chapter is then in compliance with the Statutes. The Consul will further state his plans for future compliance. If compliance is not achieved within the prescribed sixty (60) days, the Executive Committee will immediately suspend the Charter of the Chapter according to the rules of the Executive Committee.

E6.02-f-1 Pledgeship embraces all activities involved from the execution of the Membership Commitment Statement and Formal Pledging Ceremony through Initiation. Pledge training shall utilize "The Norman Shield," the Magister's Manual, the Mission Statement, and the principles embodied in the Ritual and the Ritualistic Statutes.

E6.02-f-2 All activities and conduct in the program of Pledgeship shall be fully consistent with the provisions of the Ritual, Ritualistic Statutes, the Mission Statement, and the Governing Laws of the Fraternity, and shall be designed to prepare and inspire a pledge for his responsibilities as an initiated member, student and citizen.

a. Each active chapter is required to submit their entire pledge program to their Grand Praetor for approval prior to the beginning of their pledge program each year, even if that pledge program contains no changes from the previous year. The program must be approved by the Chapter Advisor and then approved by the Grand Praetor before the active chapter commences with the pledge program for that following year. Any further changes during the year must first be approved by the Chapter Advisor and Grand Praetor prior to their use or application in the program.

b. The Consul and Magister must sign the proposed pledge program as their attestation that the written program accurately reflects the pledge program and will be followed. Any deviation from the written and approved program may be grounds for disciplinary action against the chapter, and may result in disciplinary action against the signing officers, up to and including expulsion from membership.

c. The Grand Praetor and the Chapter Advisor have no duty to investigate or monitor the pledge program beyond the written submission and may rely purely on that information in determining whether or not to approve or disapprove the program.

d. No program should exceed 8 weeks, excluding 1-week, without specific written permission from the Grand Praetor. In no event will a pledge program exceed 12 weeks. If a host institution requires a shorter term for a pledge program, a shorter term shall be used.

E6.02-f-3 Any activities which are inconsistent with the letter and/or the spirit of Statute 6.02-f shall result in Executive Committee action. Such action may lead to individual suspension or expulsion, and to suspension or revocation of the Charter of an active chapter. If an active chapter is found to be engaging in any activity judged unacceptable by the Executive Committee, that chapter will have the burden of establishing the “good faith” behind its decision to continue or initiate such activity.

E6.02-h-1 Any active chapter seeking to contract for publication of a chapter membership directory or chapter newsletters by a commercial publishing or mailing firm may do so only with the prior consent of the Chapter Advisor and president of its House Corporation (or equivalent).

E6.02-i-1 Each active chapter shall promptly and accurately render the following reports and fees to the General Headquarters, the Grand Praetor and Chapter Advisor as specified in the reports: semi-annual report and fees; reports of pledging and fees; and Reports of Initiations and fees.

E6.02-i-2 Each active chapter shall maintain appropriate records of the financial transactions and financial status of the chapter.

E6.02-i-3 Each active chapter is expected to have performed a complete audit or, as a minimum, a review of chapter financial records and procedures by a qualified, impartial professional, at the end of each fiscal year. A copy of this audit or review is to be furnished to the General Headquarters, the Grand Praetor, the Chapter Advisor(s) and House Corporation.

E6.02-i-4 All U.S. undergraduate chapters are required to provide proof of a minimum of \$1,000,000 general liability coverage naming Sigma Chi Fraternity/Corporation as additional insured. Canadian chapters are required to provide proof of a minimum of \$1,000,000 Canadian general liability coverage naming Sigma Chi Fraternity/Corporation as additional insured. General liability insurance policy coverages for all chapters must include host liquor liability coverage and hired/non-owned auto coverage. All local groups must provide proof of general liability insurance, consistent with the requirements listed above, naming Sigma Chi Fraternity/Corporation as additional insured before they are duly installed as a chapter of Sigma Chi.

S6.03 Each alumni chapter shall:

- a. Comply with all pertinent Governing Laws of the Fraternity;
- b. Hold meetings and/or events at least six times each year; and
- c. Assist any nearby active chapters in recruiting prospective new members, conducting initiations, developing and maintaining good scholarship, maintaining housing facilities, and promoting good relations with college or university officials.
- d. By the 15th day of February in each year report to the Fraternity on the prescribed forms the names of those alumni members who are affiliated with it.

E6.03-1 To qualify as an alumni chapter in good standing, an alumni chapter must (i) have as members at least ten (10) persons who are active alumni members of the Fraternity as defined in Statute 3.06; (ii) report on forms prescribed by the General Headquarters the names and addresses of its officers and members utilizing the most current list of all alumni living 19 within its geographic area to be provided by the General Headquarters by February 15 each year; report the location and time of its meetings; and identify all undergraduate chapters within a 100 mile radius; and (iii) comply with the requirements of Statute 6.03. Each Alumni Chapter, in addition to its annual report, must submit a \$200.00 annual registration fee in order to be in good standing with full voting authority.

E6.03-2 A meeting or event shall be any activity that has been reasonably communicated to the membership in a timely fashion and is attended by no less than 5 members.

Statute No. 7 - Discipline

S7.02 The Executive Committee shall be empowered to suspend from membership in the Fraternity any member charged with violating Section 3.19. In the event a suspended member has not paid or settled his delinquent financial obligation within twelve (12) months from the date of suspension and signed a promise to pay future financial obligations promptly, such suspended member shall be expelled from membership in the Fraternity without further action.

E7.02-1 An active member who fails to discharge his financial obligations as required by Statute 3.19 may be proposed for suspension from membership in the Fraternity for financial delinquency: (1) by a two-thirds vote of the chapter members present and voting; (2) by five alumni members; or (3) by the Executive Committee. In preparing such proposal, the Quaestor, 21 an alumni proponent(s) or the Executive Committee must certify that the delinquent member has been notified of the debt, that a reasonable effort has been made to collect the debt, and that the delinquent member has been served notice that his delinquency is being referred to the General Fraternity for action. The completed written request (one vehicle for which might be the Form 50 provided by Headquarters) shall be reviewed and signed by the Chapter Advisor and the Grand Praetor before being forwarded to Headquarters. Upon receipt of the written request, the Executive Director shall inform the delinquent member by mail of the proposed action, the consequences and the methods of resolving the delinquency short of Executive Committee consideration. In the event the debt is not paid, settled or contested prior to the date of the next Executive Committee meeting, the delinquent member's name will be placed before the Executive Committee for appropriate disciplinary action. The member must be given at least thirty (30) days from the date of the initial Executive Director notification to reconcile his account. If the Executive Committee suspends an active member for financial delinquency, reinstatement may occur on a favorable vote by the committee.

E7.02-3 If a member fails to pay, settle or successfully appeal his debt within one year of his suspension, he will automatically be expelled from the Fraternity. To be reinstated, an expelled member must settle his debt with the Fraternity and make a written proposal to the Executive Committee as to why his membership privileges should be restored. Upon review of the written request the committee may restore membership privileges to the expelled member.

S7.03 The Executive Committee, the Grand Consul or the Grand Praetor shall take cognizance of any chapter's failure to comply with the provisions of Sections 6.01 or 6.02, and shall be empowered to give to the chapter a formal warning; the Executive Committee or the Grand Consul may place a chapter on probationary status; and the Executive Committee may place a chapter on show cause status or suspend a chapter's charter, or may declare an individual active member to be no longer an active member. The Committee may also recommend to the Grand Chapter that the chapter's charter be revoked, whereupon a majority vote of the members of the Grand Chapter shall be necessary and sufficient to effect revocation.

E7.03-1 As a result of deficiencies or delinquencies in adherence to the provisions of Statute 6.01, Statute 6.02 or other pertinent Governing Laws and standards of the Fraternity including the timely submission of such forms and fees as are required, the Executive Committee or such subcommittee as it may designate may take appropriate disciplinary action upon a chapter which may consist of a probationary period, or status to show cause why its charter should not be suspended or revoked. Such disciplinary action upon a chapter may be requested by the Executive Director, the Grand Praetor, the Chapter Advisor, or the House Corporation, with a complete report submitted to the Executive Committee. This probationary status may include any or all of the following: (i) restriction of Fraternity services or benefits; (ii) requirement for submission of periodic reports on the current status, goals and improvement of the chapter; (iii) establishment of a local alumni supervisory committee with authority to set achievement goals, standards and regulations for the chapter and enforce chapter discipline; (iv) removal of a member from the chapter house property or his suspension or expulsion from membership; (v) removal of chapter officer(s) from his (their) office(s); (vi) required attendance at an Executive Committee meeting, Leadership Training Workshop or other Fraternity function; and (vii) such other conditions as the Executive Committee may determine. The period of time which the chapter remains on probationary status is subject to the discretion of the Executive Committee. Failure to meet the conditions of the probationary status may result in suspension by the Executive Committee or recommendation of revocation of the charter. The Executive Committee may authorize written notification to all alumni members of the chapter in such circumstances.

E7.03-2 In the event of an allegation that a chapter has committed a serious violation of a Fraternity, University, state, provincial, or federal law, the Executive Committee or such subcommittee as it may designate may suspend all operations of such chapter for a period not to exceed forty-five (45) days during the investigation of said allegation.

E7.03-3 Except in the case of suspension of operations as provided in 7.03-2, in the event of suspension or revocation of the charter of a chapter, the Executive Committee will direct the Executive Director and Grand Praetor to obtain from the chapter its charter, Rituals, and Ritualistic materials, roll books and other items of Sigma Chi insignia, identification or property, which will be held in such manner as directed by the Executive Committee.

INDEX OF ONLINE RESOURCES

- 1) Budget Template (uses Excel, is comprehensive, and designed for advanced Excel users)
- 2) Chapter Business Plan worksheets (to help you fine-tune your goals for sharing with others)
- 3) Contracts
 - a. Chapter-member contract (with live-in agreement)
 - b. Sample member financial agreement
 - c. Sample pledge obligation letter
- 4) Collections contracts
 - a. Sample promissory note (for delinquent brothers)
 - b. Promissory note template
 - c. Sample collection letter (60 day)
 - d. Sample collection letter (90 day)
 - e. Sample financial suspension (chapter level)
 - f. Sample payment plan
 - g. Small claims court process
- 5) Form 50 (financial suspension/expulsion)
- 6) Guides & Reference
 - a. Membership fees reference guide: a quick reference for calculating HQ/RMF dues
 - b. Know Your Audience – a guide to navigating inter-generational communication
 - c. Quaestor blueprints: thoughts and exercises in accountability and positive attitude
 - d. Quaestor manual: that's right, an e-copy of this little baby.
 - e. Quaestor responsibilities: a 2-page job/office description
 - f. Tax exemption guide
 - g. Yearly timeline and checklist