



SOUTHERN UNIVERSITY ALUMNI FEDERATION

# Southern University Alumni Federation Financial Policy and Procedures Manual



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## I) SPECIFIC GUIDELINES AND PROCEDURES

### A) Fiscal Year

- 1) July 1st through June 30th
- 2) This accounting period should be used by all Chapters.

### B) Financial Statements

- 1) These documents are generated by all financial officers and handled as follows:
  - (a) National Treasurer
    - (i) Provide monthly financial reports, balance sheet, budget to actual, general ledger and Bank reconciliations monthly to the National Executive Board.
    - (ii) Provide quarterly financial reports of profit and loss, and balance sheet to the National Executive Council.
    - (iii) Provide annual financial reports of profit and loss, and balance sheet to the general body at the National Conference or National Leadership Summit.
  - (b) Local Chapter Treasurer
    - (i) Provide monthly financial reports, balance sheet, budget to actual, general ledger and Bank reconciliations monthly to the Local Chapter.
    - (ii) Provide annual financial reports of profit and loss, and balance sheet statement in the form of an End of Year report which must be delivered to the National Treasurer no later than August 31<sup>st</sup>.
      - ◆ NOTE: The End of Year Reports for all Chapters and the National Office are compiled to generate the organizations' Form 990.

### C) National and Chapter Dues

- 1) National Dues shall be set by the SUAF Executive Board. Current: Annual (\$50) / Life: (\$500)
- 2) Chapter Dues shall be set by the local chapters.

### D) Audits

- 1) The National Federation must have an external audit by a certified public accountant annually. Thereafter, statements of assurance must be submitted to the body along with year-end financial statements at the National Conference or National Leadership Summit.
- 2) All Chapters must have an external audit or review by a certified public accountant annually. Thereafter, statements of assurance must be submitted to the National Treasurer along with year-end financial statements no later than July 5<sup>th</sup>.
- 3) The National Federation and local Chapters may conduct audits when needed.
- 4) Upon the removal or resignation of bonded officers,
  - (a) the former officer's name shall be immediately removed from all bank accounts, and chapter audit report shall be conducted of their books;
  - (b) chapter's have no more than 30 days to transition records to the newly elected or appointed officer.
- 5) Definition of Audit
  - (a) An audit is a detailed examination of the records of a chapter, or the National organization. The objective is to provide a reasonable basis for expressing an opinion regarding the financial statements prepared by the chapter taken as a whole.

### E) Conflict of Interest Policy

- 1) Within 30 days of being elected or appointed, all local and national officers of the Southern University Alumni Federation must sign the Conflict of Interest Statement in Appendix A of this Finance Policy.



## II) OFFICER FINANCIAL OBLIGATIONS

- A) General Responsibility Statement
  - 1) All Officers are fiscally responsible to the membership and to the best of their ability, must ensure that all the organization's funds are spent in accordance with the approved budget and that financial reports are generated monthly. Each financial officer is responsible individually to the chapter membership for the safe-keeping and proper management of funds or monies collected and disbursed.
- B) Transitions
  - 1) All financial documents (audited books and other financial materials) shall be transferred to the new chapter financial officers within 30 days of the end of the fiscal year or of the appointment of the officer.
- C) Record Maintenance
  - 1) All financial records including End of Year Financials, Audit Statements, receipts and the like should be maintained for 7 years.
- D) Chapter Financial Officers
  - 1) The following responsibilities must be completed by the Chapter **Treasurer and/or Financial Secretary**.
    - (a) Must be bonded.
    - (b) Collect all funds, inclusive of any and all organizational activities where monies are collected maintaining a record of collections, providing receipts of those collections, and transferring funds or monies collected to the Chapter Treasurer for depositing in the appropriate chapter bank account;
    - (c) Maintain a journal listing names of financial partners, itemizing breakdown of monies received, and categorizing sources of all income and expenses.
    - (d) Maintain a two-copy receipt book to document the date, the amount, the form of payment and the purpose of all monies received.
    - (e) Deposit all funds or monies in the appropriate accounts and disburse same by check after receipt of a signed voucher.
      - (i) **All disbursements** must contain the signature of two officers (Treasurer, President, or Vice-President) and be disbursed as per the budget or majority vote of members.
      - (ii) All funds leaving a Southern University Alumni Federation Account must bear the signatures of two of the three designated Chapter officers.
    - (f) Prepare monthly, quarterly and annual financial reports of income and expenses, (budget to actual) and a balance sheet and submit financial as required in the Financial Policy.
    - (g) Submit financial records to audit committee and maintain all financial records and vouchers for submission.
    - (h) Complete and file all financial reports as required by the National Treasurer.
    - (i) File annual tax returns on behalf of the local Chapter.
    - (j) Submit a copy of the chapter's completed tax returns to the National Treasurer by September 30<sup>th</sup>.
  - 2) The **Chapter President** is responsible for the ultimate management of all Chapter matters. He/she does not perform the mechanics of all tasks, but she has to be informed in order to know what is happening with the finances. The Chapter President must receive the monthly



bank statements and provide to the Chapter Treasurer in a timely manner. The Chapter President must have password access to the accounts for viewing the bank account transactions.

### III) CHAPTER CHECKING ACCOUNTS

- A) All Chapter accounts require the signature of two (2) or three (3) officers. Bank signature cards should bear the signatures of the three (3) bonded officers of the Chapters; the President, Vice President and Treasurer. If the Chapter has a Financial Secretary, the Financial Secretary must also be bonded.
- B) Checks should be printed in the Chapter's name.
  - 1) The Chapter name is the name on the Charter.
- C) Each Chapter should have a bank stamp for all checks with the account name and number

### IV) IDENTIFICATION NUMBER

- A) All Individual Chapters are required to have an Employer Identification Number assigned by the IRS (also known as IRS Tax Identification Number)
- B) This number is to be used to open checking accounts or other transactions with financial institutions which require a Federal Employer Identification Number.
- C) This does not grant tax-exempt status to a non-profit organization and is not the same thing as the organization's exempt organization number.
- D) The request for an IRS Tax Identification Number is made by the National Office only. Chapters cannot apply for this number.

### V) TAX EXEMPT STATUS

- A) All Chapters of the Southern University Alumni Federation must acquire within 60 days of being chartered and must maintain until dissolved Tax Exemption Status through the Internal Revenue Service.
- B) Copies of the Tax Exemption Declaration for each chapter must be mailed to the Treasurer of the Southern University Alumni Federation within 30 days of receipt by the local Chapter and upon request by the National Treasurer.

### VI) VOUCHER SYSTEM FOR EXPENDITURES (APPLIES TO CHAPTER AND NATIONAL OFFICERS)

- A) All checks written shall be supported with a voucher, receipts, the purpose, and amount with the proper signature completed on every voucher.
- B) Vouchers should be signed by the Treasurer and the President or the Treasurer and Executive Director.
- C) The receipts stay with the fully executed voucher.
  - 1) If a receipt is lost and the reimbursement is under \$50 for a budgeted item, the President and Treasurer can agree to reimburse as demonstrated by their signature on the voucher.
  - 2) If a receipt is lost and the amount is over \$50 for a budgeted item, the request must be approved by a majority of the Executive Board.
  - 3) If a voucher is presented for a non-budgeted item, the Treasurer shall not issue payment until the matter has been approved by the Chapter's general body or the National Executive Board.



- D) Financial officers are required to thoroughly review vouchers to ensure expenditures are appropriate and in accordance with budgeted items.
- E) Vouchers should incorporate the year and the number of the check.
- F) Records should be maintained for 7 years.
- G) DEBIT cards are prohibited at all levels of the organization.

#### **VII) BUDGETS**

- A) A budget provides realistic financial projections of future operations and finances. It is usually prepared based upon the actual expenditures from the previous year or period for which the budget is designed to cover.
- B) The Treasurer along with the Budget Committee is responsible for drafting a budget.
- C) As Chairman of the Budget Committee, the Treasurer is responsible for the following:
  - 1) Prepare a proposed budget to be presented to the Chapter membership and the budget should be voted on during the annual meeting or before June 30<sup>th</sup> of the preceding fiscal year.

#### **VIII) BONDING INSURANCE**

- A) Southern University Alumni Federation Chapters must be insured by a Blanket Position Fidelity Bond on each of the following officers:
  - 1) President
  - 2) Vice President
  - 3) Financial Secretary
  - 4) Treasurer

#### **IX) FINANCIAL REPORTING OBLIGATIONS**

- A) Items that should be given to the membership at each regularly scheduled Chapter meeting:
  - 1) Balance sheet (Monthly Statement of Activities)
  - 2) Bank Reconciliations (Control's Check)
  - 3) Profit/Loss report (Monthly Statement of Activities).
  - 4) The income/expense report should be compared to the budget for the same time period and explanations provided for material variances from the budget.
  - 5) Budget to Actual Report (Budget to Actual Statement)
- B) Information should be disseminated monthly, or as often as the Chapter meets.

#### **X) CHAPTER ASSESSMENTS, AND PENALTIES**

- A) Chapter Assessments.
  - 1) Annual Chapter Assessments: \$500 per chapter is due by Sept. 30 of each fiscal year.
- B) Chapter Bonding Fee: \$50 annual payment per Chapter is due by Sept. 30 of each fiscal year.
- C) All payment dates are defined as postmarked.

#### **XI) CREDIT CARD POLICY**

- A) A credit card issued in the name of Southern University Alumni Federation is for business use only.



- 1) Authorized users at the National Level are the National President and the Executive Director.
- B) Any points received on the organization's credit card belong to Southern University Alumni Federation and are for Southern University Alumni Federation purposes to reduce the cost of expenses and are not for personal use.
- C) Credit card statements must be reconciled monthly with a voucher and receipts attached.
- D) All checks for credit card payments require two (2) signatures.
- E) Holders of the organization's credit card should scan all receipts and send to the National Treasurer within 15 days after charges have been incurred (or as soon as practical for extended travel).
- F) Original receipts and completed vouchers can be mailed later to the appropriate person for filing/recordkeeping.
- G) If the credit card holder determines that a charge is fraudulent or in error, the credit card holder must notify the National Treasurer in writing ASAP and provide the proper documentation to dispute such charge.
- H) Should an issue arise regarding appropriate documentation after the bill has been paid in full, the credit card assigned shall be suspended until appropriate documentation has been received, leaving the credit card with a zero balance due.
- I) Credit cards must be paid in full by the due date so as to not incur late fees or interest charges even when appropriate documentation is not in hand at the time the bill must be processed. It is important to protect the credit worthiness of the organization.
- J) If it is determined that the organization has been billed for personal, unapproved, or inappropriate use of the credit card, the user must reimburse the organization within 15 business days of such notification by the National Treasurer.
- K) Credit cards must be cancelled within 30 days after an officer's term has ended.

## **XII) CONTRACTS**

- A) National contracts are to be signed by the National President and Executive Director.
- B) Chapter contracts are to be signed by the Chapter President and Chapter Treasurer.