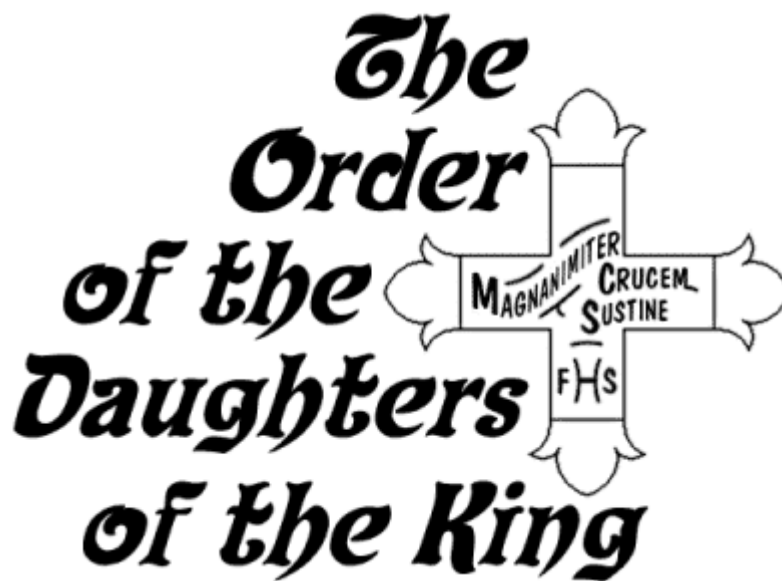


A Treasurer Primer

For Chapter and Diocesan Treasurers



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The Treasurer

The treasurer of a chapter or diocese (hereby referred to as the organization) is the financial officer of the organization responsible for the receipt, care and disbursement of its funds. Responsibilities include keeping records and preparing reports on the financial transactions of the organization. The treasurer may be required to prepare a budget which is a planned program of expenditures (expenses) with the means (income and donations) of financing them. A report should be made at each business meeting of the organization or executive board. The purpose of financial reporting is to ensure the safety of the organization's assets and aid in decisions made by the organization that require funding.

Selection of a Treasurer

The position should not be given to just anyone who is available and willing. It is important for an organization to seek out the right individual, even if she must be persuaded. Integrity and honesty are the most important considerations in selecting a Treasurer. Other qualifications include responsibility, time available, money sense, and financial training.

Getting started

- Open a bank account (if one does not exist) with your church's tax ID or the Order's tax ID. Note: Saving and Loans sometimes offer accounts without fees. Fees can eat up all your funds if you are not careful.
- Obtain or change the authorized signature on the bank account. There should be at least two signatures on the bank account, the Treasurer's and the President.
- Set up a financial notebook to file copies of receipts, reports, and bank statements.
- Set up pages in the notebook or use a computer program such as Microsoft Excel® to track receipts and payments and to help in the preparation of reports.
- Obtain a cash receipts book where cash collections can be recorded.
- Ensure you know what subcommittees exist and which ones operate a separate account as these need to be recorded as part of the organization's financial reports.
- Ensure that all accounts are current and balanced.
- Obtain from the outgoing treasurer (if applicable) a complete list of all the organization's bank accounts and investments as well as relevant contact information, checkbooks, and past files.

Responsibilities

The treasurer's most important function is to produce a set of complete and accurate accounting records.

- Present the following complete and up-to-date financial reports at each meeting including:
 - Statement of receipts and payments.
 - Bank reconciliation.
- Sign and date all financial reports.
- Reconcile all bank accounts within 10 days of receiving the statement.
- Have another executive member check the bank reconciliation before each meeting.
- Ensure all subcommittees present a financial report and a copy is included in the organization's financial notebook.
- Deposit all checks and cash immediately (within 10 days of receipt).
- Make all payments by check, except for small payments from petty cash.
- Ensure all checks are made out to a person or entity and not to cash.
- Do not sign checks made out to you. Have the other officer sign these checks.
- Support all payments with original invoices or receipts.
- Monitor receipts and payments against the budget.
- File in your notebook all financial reports, bank reconciliations, and any other documentation that may be required by an audit or review.
- Retain financial records for seven years. Retain year end reports/audits permanently.

Yearly responsibilities

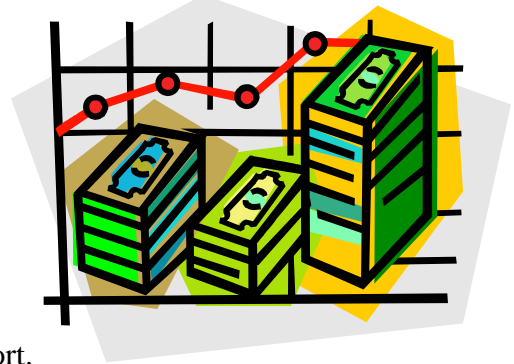
- Generate annual financial statements.
- If required, have annual financial statements certified by the executive members or auditor with appropriate qualifications and experience.
- Prepare a budget (if required) for next year. Set up a committee for that purpose.
- Collect dues from all members of the chapter and remitting them in one check or money order by September 1st of that year to the Margaret J. Franklin Center. Note: Send in all dues collected by September 1st even if some of the members haven't paid. Do not hold up those that are paid, waiting on others. Those who haven't paid will be sent a dues reminder by the National Office.
- Remind the organization of annual ingathering days for the Funds of the Order so special collections can be taken and forwarded promptly to the Margaret J. Franklin Center (the National Office).
 - Self Denial Fund: February 2nd
 - Master's Fund: Pentecost
 - Alpha Fund: September 5th
 - Endowment Fund: November 1st



Treasurer's Report

A Treasurer's report should include the following:

- Name of the organization.
- Period which the report covers.
- Cash balance at the beginning of the period.
- Income received during the period.
- Expenses paid during the period.
- Cash balance at the end of the period.
- Additional funds or investments.
- Notes on any exceptions.
- Signature of the treasurer and date of the report.



Reporting Tips

- The cash balance at the end of the period equals the cash balance at the beginning of the period, plus total income, minus total expenses. Note that the cash balance at the end of the period should agree with the “balance per checkbook” on the bank reconciliation.
- Accuracy is important, but great detail is not. You do not need to show every single transaction that occurred during the period. In reporting income and expenses, show only significant items and combine small amounts as “other.” A report that people understand is better than a detailed one that is confusing.
- For special events such as quiet day or assembly, the income and expenses are shown separately. An alternative way to report on the event would be to create a separate detailed report and then only the net income and expenses would show on the organization's report. The detailed report for the event would be attached as supporting documentation.
- The treasurer's report should always be in writing. There should be copies for all members who will be present at the meeting when the report is presented. Ideally, members should receive the report in advance of the meeting so they can more thoughtfully fulfill their responsibility of understanding the treasurer's report and asking questions, if necessary.
- You, as treasurer, will present the treasurer's report orally at the meeting. Keep this oral report brief and succinct. All that needs to be stated is the opening balance, the total income, the total expenses and the ending balance this month. It is easier for listeners to understand if you read the figures as dollars only, without mentioning cents. Explain any large or unusual items.
- On the written report can be a list of any significant amounts due the organization or any significant unpaid bills on hand. This can be summarized in the oral report. Once the oral report is presented and all questions answered, the President should say: The treasurer's report is filed. Following proper parliamentary procedure, the treasurer's report is never moved, seconded, or adopted. The appropriate term is filed or filed for

audit. The reason for this is that the members present have no way to approve the details of the treasurer's report; they can only acknowledge it.

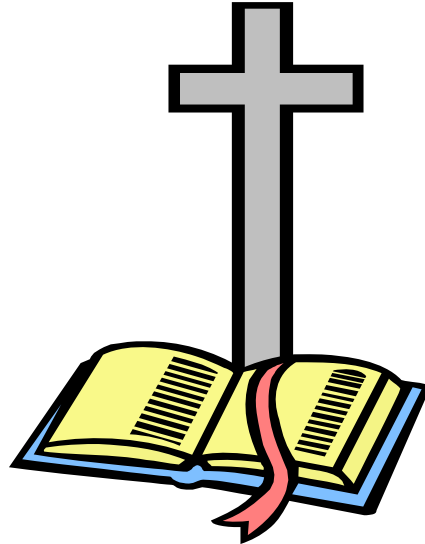
- The secretary should be given a copy of the treasurer's report for attachment to the minutes. It is unfair (and unwise) to expect the secretary to write down numbers as they are being read aloud.
- Your organization may require a budget. The budget may be a formal one approved by the executive board or an informal one, but you need some estimate of income and expenses for the forthcoming year. The categories of income and expenses on the treasurer's report should be the same as those in the budget. At the very least, they should be consistent from one report to the next. Things may have to be added from time to time as required by the organization. .
- You can standardize your treasurer's report by creating a simple form in a computer word processing program (see Sample Reports in the Appendix), showing all the various categories, with blanks where the numbers will go. Print out or photocopy this blank report and each month simply insert the correct month and numbers. This saves time and ensures consistency. A handwritten or partly-typed, partly handwritten report should be acceptable as long as it is legible. Financial software, of course, can produce reports easily. Even a simple spreadsheet program such as Microsoft Excel® can work very well to format treasurer's reports.



And although the finances of the organization you represent are important, please remember what we are really about as paraphrased by St. Frances Cabrini, when she said: “We must pray without tiring, for the salvation of mankind does not depend on material success ...

**Neither does it depend on arms and human industries,
but on Jesus alone.”**

APPENDIX



Funds of the Order

Glossary

Sources Uses

Sample Reports

Do not store up for yourselves treasures on earth, where moth and rust destroy, and where thieves break in and steal. But store up for yourselves treasures in heaven, where moth and rust do not destroy, and where thieves do not break in and steal.

Matthew 6:19-20

The Funds of the Order

The *National Handbook* states that the fifth responsibility of every Daughter is “to participate in the offerings to the Funds of The Order.” Each Daughter has the opportunity and responsibility to further the ministry of The Order by supporting the funds. The individual contributions, used collectively, provide the financial resources needed by the community, “for the spread of Christ’s Kingdom.”

The Self-Denial Fund: This fund challenges members of The Order to contribute money that they would spend on “self” to this “denial” fund. The funds collected provide money for missionaries and other outreach programs supported by the Order. The ingathering of this fund is February 2, the day of the Presentation of Christ at the Temple.

The Master’s Fund: This fund is a thank offering to be given at Pentecost (Whitsuntide) which is its ingathering day, in loving commemoration of the coming of the Holy Spirit.

- Master Funds Scholarships are used to help members of The Order and women attending accredited courses leading to a degree or certificate, which will prepare them for a church related career.
- Continuing Education Grants are given to members of The Order to attend continuing education courses, which will enhance their ability to serve God.
- Provincial Grants are given to Presidents of Provinces to be used for development of leadership skills.

The Alpha Fund: This fund supports the work of the Junior Directresses of the Order. The funds are used to:

- Explore the interest and need to start Junior chapters.
- Grow, motivate and network existing chapters as well as reactivate inactive Junior chapters.
- Provide support for education and transportation, study materials, retreat and program materials.

The in-gathering day for the Alpha Fund is tied to the beginning and ending of the school year on Mother Teresa’s feast day, September 5th, the day she died in 1997.

The Endowment Fund: This fund was established as a permanent trust fund and to further the work of the Order in the extension of Christ’s kingdom. All Saints Day, November 1, has been set aside for the ingathering of the Endowment Fund. Gifts of at least \$10 are accepted as thank offerings for “healing, birthday, wedding, birth of a child or grandchild, or for any reason.” The name of the honoree and the reason for the honor should accompany each gift so it can be recorded in the *Book of Remembrance* or the *Book of Honor and Thanksgiving*.

Note: Please see the *National Handbook* and *National Study Guide* for the history and additional information on the Funds of the Order.

Glossary

asset

Something with residual value in the next year. It could be tangible, for example, a piece of equipment, or intangible, for example, money stored in a bank. Items bought for immediate use, such as stationery, are consumed and do not become assets.

accountable forms

Check books, order books and receipt books.

accounting period

Calendar months.

accrual accounting

Financial transactions are recognized when the liability or obligation is created. In accrual accounting the expense is recognized when the goods are received. Compare with cash accounting below.

annual financial statements

Set of reports required to be completed each year.

auditor

Person appointed by the organization to audit (officially examine and verify) its accounts.

balance

Amount of funds in a bank account at a point in time. For example, a monthly balance is the amount of funds in the bank account on the last day of the month.

balance sheet

One of the annual financial reports listing assets, liabilities and equities of the organization.

blank check

Check that has the amount or the payee sections blank. **Never sign a blank check.**

bank reconciliation

Process to verify that balances in the bank match those recorded in the books of the association and explaining any differences that exist, such as outstanding checks. This is a critical process in achieving financial accountability.

budget

Planning document to show plans for expenditure and expectations of income for the planning period.

cash accounting

The process of recognizing financial transactions only when there is a cash impact as opposed to accrual accounting (see accrual accounting above). In cash accounting an expense is recognized only when the invoice is paid.

cash flow

Process of ensuring that funds will be available for planned expenditure at the time the payment is required. Usually done in conjunction with the budget on a monthly basis. While total income may exceed total expenditure, the funds must be available at the time of payment. To avoid a cash flow crisis, it may be necessary to revise the budget or delay expenditure until more income is available.

cash flow statement

Report detailing the timing of receipts and payments.

consolidated statements

Where more than one set of accounts is generated, a combined or summary statement must be produced. This consolidated report is simply the sum of the individual reports, for example, a summary receipts and payments report.

deficit budget

Where budgeted annual expenditure is greater than budgeted annual receipts.

direct debit

Process where a debt (payment) is taken directly from the bank account.

electronic funds transfer (EFT)

Method of making payments directly into the payee account. Wages may be paid this way. The process saves withdrawal of funds from one account for deposit into another account.

financial year

Twelve month reporting period.

invoice

Bill associated with ordering goods and services. It should match an order in all details.

monitoring

In the accounting context, the comparison between planning (budget) and actual results. Monitoring is essential to provide early warning of problems or to show trends.

profit and loss

One of the annual financial reports that lists income and expenses.

receipt

Describes income or payments to the association, but is also the document issued to a person making a payment.

recurring payments

Payments that recur every year. For example, insurance is a recurring payment as opposed to the purchase of a photocopier which is a one-off capital payment.

register

- Used to list payments or receipts.
- List of accounting forms and their location or who has possession of them.

statement of receipts and payments

One of the annual financial reports listing receipts and payment.

variance

Difference between what was planned and what actually happened. Variances are part of budget monitoring and causes of variances should be found to permit total understanding of the current position.

year to date (YTD)

Progressive totals for the year (to date).

Sources Used

Dalsimer, John Paul. *Self-Help Accounting: A Guide for the Volunteer Treasurer*, December, 1999. See website: <http://www.energizeinc.com/store/2-104-E-1>

Todd, Alden and Joseph M. Galloway. *Minding the Money: A Practical Guide for Volunteer Treasurer*, ASJA Press, 2003.



Why spend money on what is not bread, and your labor on what does not satisfy? Listen, listen to me, and eat what is good, and your soul will delight in the richest of fare.

Isaiah 55:2

Sample Reports



Treasurer's Report

Budget vs. Actuals for Current Month

Special Event Report without Budget

Special Event Report with Budget

Bank Reconciliation

Yearly Budget

**Hannah Chapter
Treasurer's Report
May, 2009**

Beginning Balance **\$ 150.38**

Income

Donations at meetings 35.50

Donations from blanket ministry 10.00

Net income from quiet day (See attached report) 70.41

Interest on bank account 0.34

Total Income **74.36**

Expenses

Order of handbooks (32.00)

Material for blankets (50.00)

Postage for secretary to send out prayer lists (3.00)

Total Expenses **(85.00)**

Ending Balance **\$ 139.74**

Signature: _____

Mary Money
Treasurer, Hannah Chapter

Date Reported: June 15, 2009

**Hannah Chapter
Budget vs Actuals for Current Month
May, 2009**

	Budget	Actuals	Difference
Income			
Donations at meetings	80.00	35.50	(44.50)
Donations from blanket ministry	15.00	10.00	(5.00)
Net income from quiet day (See attached report)	0.00	70.41	70.41
Interest on bank account	<u>0.00</u>	<u>0.34</u>	<u>0.34</u>
Total Income	95.00	116.25	21.25
 Expenses			
Order of handbooks	(40.00)	(32.00)	8.00
Material for blankets	(50.00)	(50.00)	0.00
Postage for secretary to send out prayer lists	<u>(5.00)</u>	<u>(3.00)</u>	<u>2.00</u>
Total Expenses	<u>(95.00)</u>	<u>(85.00)</u>	<u>10.00</u>
Net Under Budget	<u><u>0.00</u></u>	<u><u>31.25</u></u>	<u><u>31.25</u></u>

Signature: _____

Mary Money
Treasurer, Hannah Chapter

Date Reported: June 15, 2009

**Hannah Chapter
Financial Report on Quiet Day
on May 15, 2009**

Income

Registration	150.00 *
Love offering	<u>87.00</u>

Total Income **237.00**

* Note: 10 attendees at \$15 each

Expenses

Box lunches (\$8 each)	(88.00) **
Tablecloths and Centerpieces (2 tables)	(24.73)
Speaker Honorarium	(50.00)
Name tags and printing of agenda	<u>(3.86)</u>

Total Expenses **(166.59)**

** Note: 10 attendees and one speaker at \$8 each

Ending Balance **70.41**

Signature: _____

Mary Money
Treasurer, Hannah Chapter

Date Reported: June 15, 2009

**Hannah Chapter
Financial Report on Quiet Day
on May 15, 2009**

	Budget	Actuals	Difference
Income			
Registration	180.00 *	150.00	(30.00)
Love offering	<u>10.00</u>	<u>87.00</u>	<u>77.00</u>
Total Income	190.00	237.00	47.00
* Note: 12 attendees at \$15 each			
Expenses			
Box lunches (\$8 each)	(104.00) **	(96.00)	8.00
Tablecloths and Centerpieces (2 tables)	(25.00)	(24.73)	0.27
Speaker Honorarium	(50.00)	(50.00)	0.00
Name tags and printing of agenda	<u>(5.00)</u>	<u>(3.86)</u>	<u>1.14</u>
Total Expenses	(184.00)	(174.59)	9.41
** Note: 12 attendees and one speaker at \$8 each			
Net Under Budget	<u><u>6.00</u></u>	<u><u>62.41</u></u>	<u><u>56.41</u></u>

Signature: _____

Mary Money
Treasurer, Hannah Chapter

Date Reported: June 15, 2009

**Hannah Chapter
Bank Reconciliation
as of May 31, 2009**

Ending Balance in Checkbook **\$ 139.74**

Deposits Outstanding

Deposits not reflected on the bank statement but in your checking balance.

Date	Description	
5/15/2009	Love Offering	<u>(87.00)</u>

Total Outstanding Deposits **(87.00)**

Checks Outstanding (Checks that have not cleared the bank)

Date	Ck #	Description	
5/15/2009	3006	Subway: Box lunches for Quiet Day	96.00
5/15/2009	3007	Sally Speaker's Honorarium	<u>50.00</u>

Total Outstanding Checks **146.00**

Ending Balance per Bank Statement **\$ 198.74**

Signature: _____

Mary Money
Treasurer, Hannah Chapter

Date Reconciled: June 15, 2009

**Hannah Chapter
Budget for 2009
September 1, 2008 to August 31, 2009**

	2008 Budget	2008 Actuals	Difference	2009 Budget
Income				
Love Offerings	100.00	150.00	50.00	125.00
Quiet Days (2)	160.00	200.00	40.00	140.00
Interest on Bank Account	<u>5.00</u>	<u>3.00</u>	<u>(2.00)</u>	<u>3.00</u>
Total Income	260.00	350.00	90.00	265.00
Expenses				
Quiet Day Expenses	(100.00)	(88.00)	12.00	(95.00)
Handbooks for new members	(30.00)	(24.73)	5.27	(30.00)
Printing (Study Guides and prayer lists)	(25.00)	(19.84)	5.16	(20.00)
Miscellaneous	<u>(105.00)</u>	<u>(15.00)</u>	<u>90.00</u>	<u>(120.00)</u>
Total Expenses	(260.00)	(147.57)	112.43	(265.00)
Net Under Budget	<u>0.00</u>	<u>202.43</u>	<u>202.43</u>	<u>0.00</u>

Signature: _____
Mary Money
Treasurer, Hannah Chapter

Date Reported: June 15, 2009

Note: Ideally a budget should balance to zero. If there is a carry over from the year(s) before the amount can be taken into consideration by adding a beginning balance line to the top of the budget.