

# Financial Review Guidelines

Every Chapter MUST conduct a Financial Review each year.

- The President shall assign a committee to review the financial records of the chapter.
- The Treasurer must not be a member of the committee
- The Committee shall conduct the review & file a report to Society Hdqtrs by May 15.
- The Financial Review must take place each year even if there is no change as far as Chapter Treasurer.

Listed below are a few areas that should be checked by the Committee:

1. Proper use of Operating Fund (Account 100)
  - a. No Transfers of funds from this account to the “Social Fund(Account 360).
  - b. No payments for Social Activities made from this fund.
2. Proper use of Social Fund (Account 360)
  - a. Deposits to this account only from members.
  - b. Balance in Account 360 (Revenue from Members) greater than Account 450 (Social Activities).
3. Reconcile all bank accounts - Checking, Savings, Money Market, etc.
4. Review “paid”(bank statement) checks to assure that “payee” agrees with “disbursement register”.
5. Review invoices (payment documentation) for proper approvals.
6. Check Disbursements for payments totaling over \$600 to an individual or non incorporated company and assure that a Form 1099 and Form 1096 will be prepared.
7. Review “total receipts” if Chapter has filed a Form 990 IRS Tax Form:
  - A. Form 990-N Electronic (e-Postcard) if gross revenue receipts less than \$50,000
  - B. Form 990EZ with Schedule A if gross revenue receipts exceed \$50,000 up to \$199,000 with total assets less than \$500,000
8. Check if Chapter has annual Budget and if it is being used.

**A copy of the Financial Review must be forwarded to the Society Office in Nashville by May 15<sup>th</sup> of each year.**