

## THINGS TO DO

### Annual Budget and Audit

Currently Do It	Will Do It	Done...	
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	A budget is drawn up at least annually before classes begin.
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Copies of the budget are submitted to Fraternity Headquarters within 30 days of the opening of the school year.
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	The budget is based on the previous year's spending and on this year's committee plans and individual budgets.
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Dues are based on the overall budget – not vice versa.
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	An accounting firm or CPA conducts an independent audit of the chapter financial records at least annually.
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	The budget is reviewed monthly with the advisor and/or alumni association.
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Monthly budget is based on the annual budget.
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Officers and committee chairmen participate in the budget preparation process.
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	No committee or officer is permitted to go over budget, unless the executive board has made provisions for a re-allocation of funds.
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	During the monthly review of the budget, the executive board makes revisions and re-allocations of funds if necessary.

### *Focus on the Details*

At least annually, before the school year begins, the chapter should develop a written budget. The budget should be based on the past year's spending and the current year's chapter goals. A tentative budget should be drawn up in the Spring, and should be revised after the school year ends. A copy of the budget should be prepared and filed with Fraternity Headquarters within 30 days of the opening of the school year.

Dues should be based on the overall budget, not vice versa. For example, if after committee budgets and fixed costs have been determined, the overall annual budget calls for \$25,000, and there are 50 chapter members, then annual dues should be at least \$500 per member.

Chapter financial records should be fully audited at least once a year by an accounting firm or a CPA and the full report of such an audit sent to Fraternity Headquarters. If the chapter cannot afford an independent audit, then an alumnus who is a CPA should be sought.

The chapter budget versus current income and expenditures should be reviewed monthly. Monthly reviews should be based on the annual budget. A monthly review of the budget helps ensure that officers and committee chairmen stay within their spending limits. Each officer has a clear understanding of how much money is available for him to spend, and has a financial precedent on which to base future planning decisions. Monthly reviews also allow the executive committee to conduct re-allocations of funds when necessary. For example, if one committee budget is found to be too high, and another too low, a re-allocation from one to the other might be in order.

## THINGS TO DO

### Chapter Contracts

Currently Do It	Will Do It	Done...	
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	All members, in-house and out-of-house, are required to sign contracts prior to the time at which members move into the house.
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	All contracts specifically outline chapter expectations and payment policies and individual member responsibilities.
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Chapter, whether housed or un-housed, requires all associate and initiated members to sign rules of conduct agreements.
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Contracts are drawn up by alumni and reviewed by an attorney.
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Contracts require parents or guardians to sign as co-signatures to guarantee payment.

### *Focus on the Details*

Each chapter that owns or leases a property must have written housing contracts, which each in-house member must sign. Housing contracts should be drawn up by alumni and reviewed by an attorney. Contracts should outline the services provided by the chapter, the dates payments are due, policies regarding late payment and individual responsibilities of members to the chapter. The chapter should have out-of-house member contracts, as well, which cover such areas as care of the property, payment of parlor fees, meal programs, disaffiliation, and payment of dues.

It is also suggested that each chapter, whether housed or un-housed, have written contracts signed by all associate and initiated members, which cover chapter rules of conduct in such areas as decorum, use or possession of illegal substances, hazing, sexual abuse, scholarship, maintenance duties, kitchen duties, social functions, chapter meetings, and financial obligations. All contracts should specifically outline the chapter's expectations of each member in these areas and the penalties for violation of house rules of conduct. Contracts should specifically state grounds for termination of the contract, expulsion from the chapter property and/or termination of membership. Each contract also should be signed and dated by at least one witness, who is either an executive committee member or a key alumnus. Contracts should require parental co-signatures and guarantee of payment, as well.

## THINGS TO DO

### Printed Statements to Members

Currently Do It	Will Do It	Done...	
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Printed statements are distributed to each member on a set date each month.
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Statement includes a summary of the member's account.
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	An outline of penalties and late payment policies is included on each statement.
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Receivables are collected promptly after the billing date, or the member agrees to adequate payment plan.
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Chapter policies for late payment are strictly enforced, and include such measures as late fees plus interest and loss of chapter privileges.

### *Focus on the Details*

On a set date each month, the treasurer should distribute a printed statement to each member of the chapter, regardless of whether the member has an outstanding balance. A summary of the member's account should be included on the statement. If money is owed to the chapter, the due date for payment must be included. It is suggested that an outline of penalties and late fees be included on each statement as well, so that each member is clear about chapter procedures when late payments are made. Chapter payment policies must be enforced strictly and should include such measures as late fees plus interest and loss of chapter privileges. Receivables should be collected within one week of the billing date, unless both the chapter treasurer and the member requesting the plan sign an adequate payment plan. The payment plan should outline a specific payment schedule and must be enforced.

## THINGS TO DO

### Accounts Receivables

Currently Do It	Will Do It	Done...	
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	The percentage of active members with accounts receivable does not exceed 5 percent of total chapter membership.
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Payment plans are established with those who cannot pay on time and each member on a payment plan must sign a promissory note.
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Members graduating or disaffiliating with outstanding balances are required to sign promissory notes.
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	When other measures have failed and an account is 60 days over due, financial suspension is utilized. And, if necessary, court action is taken or a collection agency is hired.
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	If the collection of receivables is below average, the chapter explores using a third party collection service. (For example the university bursar's office, Omega Financial or GreekBill.)

### *Focus on the Details*

At one time or another every chapter has some problem with accounts receivable. Although it is nearly impossible to eliminate all accounts receivable on a consistent basis, it is possible to keep them at a minimum. The number of members with accounts receivable should never exceed five percent of the total chapter membership. Further, accounts receivable should never be allowed to remain in arrears more than 30 days without some sort of punitive action taken. It is not un-brotherly for a treasurer to be strict about the collection of dues; it is un-brotherly for a member not to pay his dues.

There are several means of keeping accounts receivable to a minimum. These include: 1) requiring signed chapter contracts; 2) sending letters to parents explaining student member financial obligations to the chapter; 3) immediately following the payment due date, meeting with delinquent member to collect full payment or obtain a signed promissory note calling for full payment within 15 days; 4) if member is delinquent on promissory note, scheduling a meeting between executive committee and member and informing him that a letter is being sent to his co-signors and his social privileges are being suspended; 5) if payments are still not received, or are 60 days overdue, proceeding with financial suspension of delinquent member; and 6) requiring all members with payment plans and members disaffiliating or graduating with outstanding balances to sign promissory notes. When all of the above actions fail, the final step is to take court action or hire a collection agency to collect the overdue accounts. Many services are available to chapters and colonies to assist them with collections. Theta Xi Fraternity recommends using a third party financial management and collection service such as Omega Financial or GreekBill. University bursar's offices may also provide this service.

## THINGS TO DO

Currently Do It	Will Do It	Done...	Accounts Payable
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	The chapter has no accounts payable more than 30 days past due.
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	No member is permitted to make purchases on behalf of the chapter without authorization from the finance committee.
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	No reimbursements are given without a receipt.
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Chapter has a computer system or tickler filing system, which allows the treasurer to pay bills on time, but as close to the due date as possible.
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Treasurer keeps records of each invoice paid, along with a copy of the canceled check or the check ledger and bank statements so that proof of payment is available if needed.

### *Focus on the Details*

The chapter should pay all invoices within 30 days of the invoice date or prior to the due date whichever comes first. Accounts payable include any debts owed to the chapter's alumni association, Fraternity Headquarters, university/college, Interfraternity Council and/or local businesses.

No member should be permitted to make purchases on behalf of the chapter without the prior approval of the executive committee, the chapter treasurer or a designated finance committee member. Further, no member who makes a purchase on behalf of the chapter should be reimbursed unless he provides a full receipt.

It is suggested that the chapter buy a computer program (such as QuickBooks, Quicken, or Microsoft Money) or use a tickler filing system to make sure that bills are paid as close to the due date as possible, but in time to avoid late charges and interest. This enables the chapter to earn interest on its funds by keeping them in the bank for as long as possible.

The chapter treasurer should keep records of each invoice paid with a copy of the canceled check or check ledger and bank statements, so that payment can be proved if the need arises.

## THINGS TO DO

Currently Do It	Will Do It	Done...	Alumni Assistance
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Chapter keeps key alumni informed of its financial condition.
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Chapter has a specially appointed alumni financial advisor, which may be the alumni association treasurer.
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Chapter finance committee communicates with alumni at least monthly to review the chapter's books and financial standing.
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Alumni review the alumni association's financial standing with the chapter finance committee.
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Alumni aid in long-term planning and savings.

### *Focus on the Details*

It is very important that the chapter finance committee work regularly with key alumni, informing them of the chapter financial situation and allowing them to review the budget. It is suggested that the chapter have a special alumni financial advisor(s) in addition to the chapter advisor and association president, though each of these individuals should also be kept apprised of the chapter finances on a regular basis. Your finance committee should communicate with the alumni advisory board at least monthly. It is suggested that an alumnus sit on the chapter's financial review board, which is in charge of dealing with delinquent members.

The alumni should review the chapter's accounts payable and receivable as well as the chapter bookkeeping. Also, if the alumni handle the collection of room and board payments, the financial situation of the alumni association and that of the chapter should be compared, so that mutual decisions regarding collection can be made. Further, working in concert with the alumni ensures that conflicts between alumni association and chapter collection policies are avoided and the two can stand as a united front. Alumni may also advise the chapter regarding long-term planning and savings, such as investing funds in long-term or short-term CD's or savings bonds.

## THINGS TO DO

Currently Do It	Will Do It	Done...	Taxes
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Treasurer has a copy of the chapter's EIN on file.
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Chapter files the IRS Form 990 on time each year.
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Chapter finance committee begins filling out the report at least two months in advance of the due date.
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Chapter meets with the alumni corporation to discuss proper procedures and records needed for filing the Form 990.
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Chapter consults an accountant in addition to its alumni board to find out which tax laws apply to the chapter.

### *Focus on the Details*

Each chapter must file an annual report to the IRS known as the Form 990, which any accountant or accounting firm can assist the chapter and its alumni corporation in completing. Each chapter of Theta Xi Fraternity is provided a nine-digit tax identification number ("EIN"), which is used in filling out tax forms each year. Every treasurer should have the chapter's EIN on file. Fraternity Headquarters has a listing of every chapter's EIN, should the treasurer misplace it.

When completing the Form 990, use timetables to your advantage. The IRS gives a full four and one-half months to complete the form. The finance committee should give itself ample time to fill out the form to avoid frustration. If the Form 990 instruction book does not adequately answer specific questions, do not hesitate to contact the local tax office or Fraternity Headquarters for assistance. You might also encourage the IFC to invite a representative of the IRS to campus to give a seminar on how to file the Form 990.

Most chapters are subject to local property taxes. Also, if the chapter has employees, such as a cook or housemother, FICA and payroll taxes must be withheld. And, in some jurisdictions, chapters must also pay workers' compensation taxes.

It is important that the chapter finance committee meet with the alumni officers and an accountant to discuss the procedures and records needed to properly file annual reports with the IRS. In particular, the chapter should know how to report member income, non-member income, and investment income.

## THINGS TO DO

Currently Do It	Will Do It	Done...	Liability Insurance
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	The annual chapter budget includes ample funds to cover liability insurance premiums (Risk Management Assessment).
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	The chapter pays Risk Management Assessment in full and on time.
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	The chapter educates its members regarding the terms and conditions of the Fraternity, Risk Management Policy, and insurance policy annually.
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	The chapter has adopted policies and procedures within its By-Laws that ensure its compliance with all components of the Theta Xi Fraternity Risk Management policy.

### *Focus on the Details*

Over the past decade our society has become increasingly litigious, and fraternities have incurred a number of lawsuits due to high risk associated to certain aspects of fraternity life. For this reason, Greek-letter organizations have adopted a whole new area of programming known as "risk management," and have banded together in obtaining common insurance policies. Theta Xi Fraternity is a member of FRMT, Ltd., of which there are 26 member fraternities representing more than 60,000 undergraduate members.

Each year, every chapter of Theta Xi must pay a risk management assessment to Fraternity Headquarters. The premium is based on the chapter's membership and its experience record.

The insurance company will defend claims of up to \$6,000,000 for the chapter officers if they obeyed the law; officers and chairmen if they performed their appointed or elected duties; and chapter members if they performed their duties. Those who are not covered include: members who perform tasks outside their responsibilities; members whose actions injure an individual or damage property as a result of an illegal act; and members' parents, family or guests. It is important that each chapter educate its membership regarding the terms of the insurance policy at least annually.

Each chapter must set aside ample funds in its annual budget to cover their risk management assessment.

## THINGS TO DO

Currently Do It	Will Do It	Done...	Financial Reporting
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Treasurer posts monthly financial statements to the chapter.
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Treasurer gives full financial report during each chapter meeting, which includes current balances, accounts payable, receivables, and billing dates.
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	During the first regular chapter meeting, the treasurer reports the annual budget and distributes individual copies to each member.
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Copies of individual member billings that are considered delinquent are sent to members' parents.
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	A financial report is included in the alumni newsletter.

### *Focus on the Details*

At least monthly, the chapter treasurer must submit a written financial statement to the chapter. Also, the treasurer should give a financial report during each chapter meeting, which should include account balances, accounts receivable and payable, and billing and due date announcements.

At the first regular chapter meeting the treasurer should announce the annual budget, including a breakdown of the individual budgets allotted to committees and officers. Each member should receive a printed copy of the overall budget, which should include the current status of taxes and accounts receivable and payable. A budget or financial operations summary should be sent to members' parents so they can fully understand what they or their sons are paying for. Also, the chapter's financial situation should be included in the alumni newsletter.

## THINGS TO DO

Currently Do It	Will Do It	Done...	Finance Committee
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Chapter has established a finance committee.
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Members on the finance committee include at least the treasurer, president, and key alumni.
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	The finance committee meets regularly (i.e. monthly, semesterly, etc.)
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	During its meetings, the finance committee reviews the chapter budget, accounts receivable and payable, and investments.
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	The committee is in charge of using all reasonable means to keep the chapter financially solvent, which includes establishing payment schedules, promissory notes and enforcing chapter and Fraternity policies.

### *Focus on the Details*

Every treasurer must have a finance committee. The treasurer's job is too large to be done alone. Those on the finance committee should include the chapter president, treasurer, key alumni, and any others the chapter deems necessary. The purpose of the committee is to review chapter finances, collect accounts receivable, and consider investment opportunities and alternatives. The committee should meet at least once a month.

It is the finance committee's job to exercise all reasonable means to keep the chapter on firm financial footing. This includes establishing payment schedules, issuing promissory notes, enforcing chapter policy, such as loss of social privileges, and extremes such as financial suspension, court action or utilizing collection agencies. All chapter business or motions that have the potential to impact the chapter financially must first come before the finance committee.

## THINGS TO DO

Currently Do It	Will Do It	Done...	Long Term Planning and Savings
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Chapter has established a building fund set aside for future housing or house improvements within its current property.
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Chapter has established a savings fund set aside as surplus in order to survive future financial problems, should they occur.
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	The building fund and savings fund are placed in interest bearing accounts.
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Chapter has established written plans for future housing or house improvements, which should be coordinated with the alumni association.
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Chapter meets at least annually with the alumni to review, revise, and add to its list of needs and desires.

### *Focus on the Details*

Every chapter should establish a building fund. For un-housed chapters, the fund would be set aside to obtain future housing. For housed chapters, the fund is set aside for house improvements. It is suggested that all or portions of the fund be invested in interest-bearing accounts, such as CD's and money market funds. The building fund might be financed through a special fee, a percentage of each member's dues, or percentage of the overall budget.

Un-housed chapters should establish written criteria regarding the size and style of its future chapter house, and which amenities and facilities to include. Housed chapters should establish a written, prioritized list of long- and short-range improvements. Regular repair, maintenance and replacement should be included in the plans, since wear on the chapter house is inevitable. The chapter should review, revise and add to the list of needs at least annually, and should discuss its desires with the alumni corporation.

A chapter savings fund should be established as well. This is merely an account set aside for surplus funds, which can be drawn from should the chapter run into future financial hard-times due to over budgeting, delinquent members, or some unforeseen circumstance. Again, this fund should be placed into an interest-bearing account.

# THINGS TO DO

## Checks and Balances

Currently Do It	Will Do It	Done...	
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	The chapter finance committee reviews all financial reports and transactions at its monthly meeting.
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	The chapter has only one checking account and two signatures are required on each check.
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Savings accounts are only established for specific needs, such as building fund, and require alumni signatures for withdrawal.
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	All officers authorized to sign checks are bonded.
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Treasurer keeps a constant, running balance of all checks written by the chapter, and verifies the balance whenever canceled checks or balance statements are issued by the bank.

## *Focus on the Details*

Every chapter check should require two signatures. One of the signatures should be that of the treasurer and the other should be that of an officer, preferably the president. For ease, some chapters have more than two officers who are authorized to sign, so that, if one officer is unavailable for some reason, another may sign. The chapter should have only one checking account. Savings accounts should be set aside only for specific needs, such as a building fund, and should require alumni signatures for withdrawal.

Each chapter president, treasurer, and any elected officer is bonded through Theta Xi's National Liability Insurance program. This coverage protects the chapter if any of these officers were to embezzle funds.

The chapter treasurer must maintain a constant, running balance of the chapter checking account. Each time a check is written, the treasurer must include within the check register the date, the name of the person or business paid, the amount paid, the check number, and the item which was paid for. The treasurer should also verify the balance and check for mistakes each time canceled checks or account statements are issued by the bank.

The chapter finance committee should review the work of the chapter treasurer at its monthly meeting. All reports and transactions should be reviewed by someone other than the person who prepared or posted them. This procedure helps to correct any errors that may occur and also serves as an incentive for the preparer to keep the chapter financial records up-to-date, since they will be reviewed on a monthly basis.