

Guide for Treasurer

Theta Xi Fraternity



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GUIDE FOR TREASURER

(from *Guide for Officers*, Theta Xi Fraternity)

Job Summary:

**Acts as the business & finance officer for the chapter.
Supervises income and expenditures that include financial reporting, planning and budgeting, and oversees and maintains interest-bearing accounts.
Provides assistance to chapter officers, chapter advisor, and alumni association as requested.**

Job Responsibilities:

- Directs all financial planning, development, and budgeting for the chapter. Establishes developmental goals (along with the chapter advisor, president, and/or vice president). Provides guidance and direction to committee members in establishing goals that directly support the goals of the chapter. Requires all officers to submit budget requests prior to the beginning of each term.
- Evaluates and implements various financial programs. Establishes plans to improve the chapter's financial position. Ensures necessary communication is established and maintained with the chapter regarding its financial status, as well as the status of individual members.
- Creates, prepares, processes and maintains records of financial transactions such as, but no limited to: receipts, disbursements, checkbook reconciliation, and deposits. Creates and maintains all financial records, housing/dues contracts, etc. Recommends improvements of accounting procedures, practices, systems, and files. Audits and reviews financial records and prepares journal entries to correct any errors.
- Prepares necessary tax documents in an efficient and effective manner. Prepares and maintains copies for future reference.
- Serves as an undergraduate representative to the alumni association; attends scheduled meetings to represent the chapter's needs from a financial perspective. Meets with members of the alumni association board to develop, discuss, and implement various ideas and programs.
- Chairs the Finance Committee and ensures appropriate meetings are held monthly, or as necessary. Receives appeals and requests for payment plans and makes decisions in a fair and consistent manner.
- Performs other responsibilities as assigned by the president, vice president and/or alumni association board.

DUTIES of the TREASURER

While every officer of a chapter is essential to the effective functioning of a chapter, some officers are more critical than others.

The treasurer is one such officer, for a chapter cannot survive unless its finances are in order.

Therefore, a treasurer must be more than a bookkeeper. He is the fiscal manager of the chapter. As a collector and disbursing officer of the chapter's monies, the treasurer's thoroughness and sense of responsibility will set the tone on monetary policy for the chapter. He must be able to prepare a realistic budget so that up-to-date charges can be assessed to cover the chapter's expenses.

A responsible treasurer can make the difference between the success or failure of a chapter!

The following pages outline many of the specific responsibilities of the chapter treasurer. This will hopefully serve as a resource for you as you carry out your responsibilities in the chapter.

NOTE -- The following abbreviations are used throughout this guide:

Associate Member	AM
Interfraternity Council	IFC
Executive Board	EBoard
Headquarters	HQ

Accounting System

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ACCOUNTING SYSTEM

Whether your chapter is large or small, it is imperative that an accounting system be used. The system should include:

- A separate ledger sheet for each member
- A separate ledger sheet for each firm or individual with which business is conducted
- A ledger sheet for each provision in the budget
- Monthly summary reports
- An end-of-year summary report
- Billing forms
- Receipts for cash received

To try and establish such a system would take some knowledge of accounting procedures and time to prepare the necessary forms. Rather than attempt this, a chapter has two alternatives: a computerized accounting system or a professional accountant.

COMPUTERIZED ACCOUNTING SYSTEM

With the ready availability of computer resources, it is practical for a chapter to purchase software to assist in developing an automated (or computerized) accounting system for the chapter. To this end, the Headquarters highly recommends the purchase of the software program "Quicken." For more information regarding this particular program, consult a local distributor of software programs or Fraternity Headquarters.

PROFESSIONAL ACCOUNTANT

Another option a chapter has for establishing an accounting system is to use the services of a professional accountant/accounting firm. This option has advantages in that an individual whose profession is financial management will be helping the chapter in its fiscal operation. Besides setting up an accounting system, assistance in all areas of the treasurer's office (budgeting, monthly statements, end-of-year audit, taxes, accounts receivable, etc.) could easily be included.

Although use of an accountant will cost the chapter, one important fact to remember is that **much of the financial responsibility is removed from the treasurer** and provided by the organization/person employed. To this end, the chapter can be assured that individual members **will** be held accountable for paying their accounts in full and in a timely manner.

MECHANICS of the TREASURY

COLLECTION OF ACCOUNTS

In order to assure that a member does not have questions about his account, which will help in its collection, the treasurer should ensure that:

- each member signs a house contract
- pays a damage/rent deposit
- receives a monthly statement
- has a ledger of his account kept by the treasurer
- is given a receipt for any cash transaction

By following these procedures, the chapter will also have established legal grounds for collection should court action be required.

A good practice to institute at your chapter, if it is not already in existence, is to require that charges due to the chapter for each term be paid in full at the beginning of that term. This helps to alleviate cash flow problems and excessive accounts receivable due to poor budgeting on the part of some individual members. This policy is practical when one considers that most members have worked during the summer and should have funds available at the beginning of each term. Also, members who rely on grants and student loans to fund their college education are given checks at the beginning of the school year or at the beginning of each term. As with any generalization, there are exceptions. All exceptions should be brought to the attention of the treasurer and EBoard, and a payment scheduled agreed upon.

HOUSING CONTRACTS

Every individual in the chapter should be required to sign a contract stipulating all charges to be incurred by the individual and all services to be rendered for those charges. The contract should stipulate what will be considered appropriate behavior on the chapter premises and at chapter events and allow for the voiding of the contract should these policies be violated. If the chapter maintains a chapter house, the contract should also require the payment of a damage/rent deposit in the event the member, accidentally or purposely, damages something in the house and/or fails to clean his room before departing (see *Sample Housing Contract*, Appendix A).

The member must agree to all stipulations in the contract by signing it himself and by getting a co-signer. (In some states, individuals cannot sign a contract on their own until they reach the age of 19. Still, it is best to have a co-signer for **all** members so someone can be held accountable for paying the bill if the member fails to do so himself.) Establish and enforce the practice that **all members must sign a contract before the beginning of each school year or before being allowed to move into the house and participate in chapter activities.**

DAMAGE/RENT DEPOSITS – chapters with houses

A damage/rent deposit should be collected from each member moving into the house and becomes refundable when: (1) the individual moves out of the house with no intention of moving back in or the individual graduates, (2) if his room is left in as good or better condition than it was when he moved in (provided it is checked when he moves in and out) and (3) he has no outstanding debt to the chapter.

In writing up this clause in the contract, the treasurer needs to stipulate that it is a **damage and rent deposit**. The amount of the deposit is left to the discretion of the chapter, however, since it is to be a rent deposit as well, it should - at a minimum - cover the amount of one month's rent. If a deposit is to be collected, it should be placed in a separate savings account just for deposits. This money is not to be used for operating expenses. The only withdrawals from this account should be for refunds, as specified before; for the amount of interest accrued; to cover any damage caused by an individual; or to cover any debt incurred by the individual.

If a member does use part or all of his deposit, he must replenish the deposit account to either continue living in the house or before being allowed to move back in. If the member is moving out, any delinquent charges or damage charges should be subtracted from his refund.

MONTHLY STATEMENTS

Each month the treasurer should present each member with a statement of charges due on his account. This statement should include any and all charges incurred by the individual for the month plus any outstanding debt. It should be distributed at the beginning of each month, no later than the first week, and become due ten to fifteen days later.

INDIVIDUAL LEDGERS

The treasurer should keep a ledger of all financial transactions that occur between each member and the chapter. The ledger would include all debts incurred by the member to the chapter and all payments made to the chapter by the individual. This way, the treasurer always has a running account of each member's balance due. For this to be possible, all transactions need to be entered immediately (e.g., monthly statement balance is due entered when the bill is made out, all payments are entered when they are received). Any member wishing to see his ledger should be allowed to do so.

RECEIPTS FOR CASH TRANSACTIONS

Preparing receipts for all cash payments is a precaution not only for the individual making the payment but also for the chapter. If the treasurer is in the habit of regularly preparing receipts, and an individual later claims to have paid by cash, all the treasurer needs to do is check his receipt book for verification. Also, by preparing receipts, the treasurer always has a true account of all monies collected by the chapter and from whom. The best advice: accept checks or credit cards as the only form of payment. This limits the payment options for members, but ensures an almost cash free collection process.

COLLECTION of OVERDUE ACCOUNTS

After an account becomes overdue, the chapter must have a step-by-step process (increasing in severity) **outlined in its By-Laws** for collection of that account (in addition to National By-Law 4.5.7). Once the process is set, the chapter **must** follow through on all overdue accounts. If it does not, the program loses credibility and individuals will take advantage of the chapter by not paying their bills. When the process is built into the chapter By-Laws, its implementation and the action taken becomes automatic regardless of the individual involved. No member will then be able to claim discrimination. In addition to a contract, a deposit plan and the use of monthly statements, discussed in the prior section, the process suggested for adoption and inclusion in the By-Laws includes the following: (Note: When writing By-Laws, the word “should” is most often changed to “shall.”)

- Monthly Treasurer’s Report – In his monthly report to the chapter, the treasurer should read an entire list of members with accounts receivable, giving their name and the amount they owe the chapter. This generally tends to get members who **have** paid their bills to exert peer pressure on those members who **have not**.
- The day immediately following the due date for payment of a bill, the treasurer should meet with each member whose bill has not been paid in full. At that meeting, the member should either give payment to the treasurer or sign a promissory note specifically stating the amount owed with a payment schedule or date. (See “Promissory Note,” Appendix B). The individual should be required to sign the note because it is further proof, over and above the contract, that he acknowledges the debt he owes to the chapter. **If the individual refuses to sign the note or comply with the chapter’s sanctions, it is a major red flag that he may have no intention of paying his debt.** At this point, if the member is living in a chapter house, he should be asked to vacate the premises for breach of contract and legal action should be taken to recover the debt. **There is no reason to allow an individual to continue accruing a large bill when he will not acknowledge or address his current debt.**

If the member is having financial difficulties, he may be able to receive a short term loan from a bank or the university/college. Inquire at your school’s financial aid office about whether assistance is available and keep the necessary information and application forms with the treasurer’s notebook. Help the member complete the forms and go with him to ensure he submits them.

- If the member still does not pay and the promissory note becomes overdue and/or his loan application is accepted and the loan monies are not paid to the chapter, he should appear before the EBoard and informed that a letter is being sent to his co-signer. The EBoard should hear his case and decide whether to suspend some or all of his privileges (his voting rights, participation in intramural

sports, attend social activities, eat meals at the house, live in the house, etc.) until payment is received.

- If payment is not received within a reasonable time period (not to exceed 30 days) after his first appearance before the EBoard, the members should be called before the EBoard again and informed by the board that **all** privileges have been suspended. This is a termination of his relationship with the chapter and the Fraternity. The treasurer should send the member's name to the Fraternity HQ and he will be suspended for financial delinquency as outlined in *The Constitution* (4.5.7). If the member is living in the chapter house, he should be required to leave the house and not be allowed to move back into the house until his debt is paid and a new contract is signed.

The treasurer should also make the EBoard members aware of what the university/college policy may be on delinquent accounts. Some may hold grades and transcripts until the member meets his obligation. If the institute will withhold grades, don't be embarrassed to let them help you. If the institution does not withhold grades, it may be a project for your advisor or alumni board to address. Do not hesitate to involve them or Fraternity Headquarters; they exist in these roles to assist with such challenges.

At this time, legal action should also be instituted against the individual. Legal action is **NOT** unbrotherly. However, it **IS** unbrotherly for a member to not uphold his commitment to your chapter and the Fraternity by not paying his bill and to force other members to assume accountability for his financial debt. Remember though, legal action is almost impossible without contracts and/or promissory notes. Contact a legal service or a lawyer for information on how proceed. If this step-by-step in the process is instituted, and all members are aware of it, and it is followed, a chapter should not have a problem with overdue account receivables. **The best way to avoid overdue account receivables is to not let them become overdue!**

DO's and DON'Ts of COLLECTION

It is important to address delinquent accounts quickly and settle them before they become so large that the member may have to quit school to avoid payment. The following list will help to decrease the number of delinquent accounts:

DO's

- **DO** have a contract that each individual, and a co-signer, signs which clearly states what services are included, costs and due dates. When there is a status change, have a revised contract signed.
- **DO** require members to sign a Promissory Note if they prefer/need a payment plan.
- **DO** keep a detailed record of payments.

- **DO** get your statements out promptly. Keep them simple and follow-up on **everyone** with outstanding debt.
- **DO** have a receipt for every transaction (receivables or payables).
- **DO** furnish a letter to the co-signer and student outlining services contracted for with an explanation of charges and due dates (see Appendix E). When writing the co-signer about a problem, furnish him/her with a copy of the member's bill (see Appendix D).
- **DO** include all housing deposits in the statement with an explanation that they are refundable per the provisions of the contract. Keep **all** deposits in a separate savings account.
- **DO** require all initiation fees to be paid **prior** to the scheduled Initiation Ceremony. If an AM pays these fees and is not initiated, for whatever reason, the initiation fee can be reimbursed.
- **DO** review the chapter's By-Laws to ensure that they specify the financial obligations of AMs and initiated members. Although a copy of the By-Laws should be in each officer's notebook, the treasurer's notebook should contain a copy of these particular By-Laws.
- **DO**, upon affiliating an AM, send a letter to the parents with reassurance and welcoming. Take this time to outline the financial obligations of joining Theta Xi (see "Letter to Parents," Appendix E).
- **DO** include financial instructions to the AMs during their membership education period. Explain their financial obligations and discuss the Fraternity's policies and the chapter's budget.
- **DO** make sure everyone knows where his money is going.

DON'Ts

- **DON'T** hesitate to let each delinquent member know how much he owes. Keep his past due account top priority in his mind. Don't ever give him the opportunity to say, "Why didn't you tell me?", or "I didn't know I owed this much."
- **DON'T** hesitate to inform the parents and/or co-signer of the member's delinquent account. When your repeated efforts are being ignored, it is the best avenue to pursue for resolution.
- **DON'T** allow an active or AM to fall further behind in his payments than a preset amount as determined by the chapter By-Laws.
- **DON'T** forget to issue receipts for cash payments. It's the only proof you and the member have that the bill is paid. Better yet, establish a policy that requires all payments to the chapter by the members to be in the form of check only.

RECORD of FINANCIAL TRANSACTIONS

Besides having a true account of all monies collected by the chapter, **it is essential to keep an accurate account of all monies disbursed** by the chapter. The most efficient means of accomplishing this is to only disburse chapter money through a checking account. The canceled check or bank record will then serve as a receipt for the transaction. If the treasurer has no choice but to make payment in cash, he must insist on a receipt for the transaction.

Upon making any payment, the treasurer should then note on the appropriate ledger: (1) the date the payment was made, (2) the number of the check used to make the payment, or (3) the number of the receipt from the vendor (if applicable).

Record the information on the statement (bill) received by the chapter and then file it in the chapter's **financial transaction file**. The transaction file should include:

- all deposit slips
- all canceled checks
- all receipts distributed by the chapter
- all receipts received by the chapter
- all statements received by the chapter
- all contracts
- all duplicate tax forms and papers

The **financial transaction file** should be kept on a fiscal year basis (usually July 1st to June 30th). At the end of the fiscal year, the records should be boxed and stored for a period of seven years. The only exceptions to this are canceled checks for important payments (i.e., taxes, purchases of property, special contracts), which should be kept permanently and filed with the papers pertaining to that transaction, and contracts or leases still in effect which should be kept in the active file.

PREPARING A BUDGET

The preparation of a budget is essential to the operation of any chapter. It serves as a guide to and control of the chapter's money by reducing the chances of unnecessary and thoughtless expenditures. A budget makes it possible for members to know in advance what their chapter's costs will be. It lets a chapter know what it can do, where it is going and what its financial outlook will be.

Each spring, the treasurer should prepare a budget for the **upcoming year** to tentatively establish costs. It should be reviewed by the EBoard and then brought before the chapter for approval. It should be stipulated that costs will remain at the

tentative figures only if membership is at or above the number used for establishing the budget. The budget should then be reviewed each term and altered to meet the existing cash flow, the present membership, and the future costs of the chapter.

Budgets may be simple or complex depending on the nature of operation the chapter uses. It may vary from non-housed chapters to dormitory housing furnished by the school to a large house with many live-in members. Chapter income may primarily be received from dues, parlor fees, room charges or from room and board charges. Whatever the case, the important thing to remember is that there must be sufficient income to cover anticipated expenses.

BUDGETING EXPENSES

There are two types of expenses (costs): fixed and variable. A **fixed cost** is any expense to the chapter which remains the same no matter how many members there are (rent, utilities, labor, IFC dues, , garbage collection, building fund, chapter publications, etc.). A **variable cost** is any expense to the chapter that can change with the number of members (social functions, food, risk management assessment, the chapter service fee, formals, homecomings, etc.). To begin to prepare your chapter's budget you should first develop your list of anticipated expenses. You can do this by following these steps:

- Establish a list of all possible expense items (see Appendix B for a sample budget).
- For each expense item, see what has been spent in the past.
- Budget an anticipated cost for the term.

Some fixed cost items can be estimated quite accurately by contacting your creditors.

Variable cost items experienced in past years can be estimated by taking into account inflation (typically around three percent).

Additions to the program not included in previous year's budgets will have to be researched to develop an educated estimate.

Remember, when reviewing past expense to determine if there are ways to reasonably cut costs without affecting the program.

BUDGETING INCOME

Once expenses are identified, it is time to determine your income. Again, this will vary from chapter to chapter depending on the services rendered. For example:

- All members should pay dues to cover the cost of general chapter operations (campus activities, social, recruitment, chapter business, building fund, District Leadership Academies, risk management assessment, etc.).
- For those who live in a chapter house and pay room rent, that amount should cover the costs for that area of operation (rent, utilities, garbage collection, property insurance, etc.)

- For those who eat at a chapter house and pay board in relation to the cost of maintaining the kitchen and dining room (cook's salary, food, supplies, payroll taxes, laundry, etc.)
- If the chapter house a house or common meeting space, all members should pay a reasonable fee for use of general areas (living room, TV room, library, recreation room, etc.), which is referred to as a Parlor Fee.

ESTABLISHING A REALISTIC BUDGET

The most elaborate calculations and good intentions will not change a situation where anticipated income does not equal or exceed expenses. When the expense totals are divided among the members receiving the benefits and the individual cost appears to be too high, there is a choice to be made. The chapter must either (1) eliminate some of the expense by reducing variable expense items or (2) increase its membership in order to reduce per member costs. If the second choice is made, individual charges must still be increased until new members are affiliated and the additional income is generated. Good membership results will bring an immediate increase in income. Good membership education and scholarship will extend it, for both are necessary to ensure initiations, future associations, and continued retention.

A fundamental principle in budgeting is to estimate income low and estimate expenses high.

It is wise to plan the budget at less than full membership. Ten percent of the chapter income should be regarded as surplus to allow for members not returning to school, etc. Only by this precaution is it likely that an actual balance of income and expense will result at the end of the year (i.e., 80 man chapter, budget should be set on 72 men).

It may be necessary to revise the budget at some time during the year in order to take into account new and unforeseen factors. Remember, the budget is not intended to be anything but an estimate. Also, just because an expense item is in the budget does **not** mean that it must be spent. A change in conditions may not warrant the expenditure.

A well-kept file of monthly financial reports, past budgets and other data on costs and income will make it possible for future treasurers to prepare their budgets with comparative ease.

Good business practice calls for the preparation of a monthly financial statement, which will show chapter expense and income for the month. Completed copies of the chapter's annual budget and monthly financial statements should be sent to the alumni association and Fraternity HQ where it will be kept on file.

CHAPTER BANK ACCOUNTS

Each chapter should have at least a checking account. However, it may also be advisable to have a savings account and/or money market account. There is no reason to leave large sums of money in a non-interest bearing checking account. Also, most check-with-interest accounts require a large minimum balance and pay the lowest interest rates available. For this reason, it is much wiser to have a non-interest bearing checking account in which you keep the minimum balance to avoid service charges and a savings account of some type. As funds are needed, they can be transferred to the checking account.

All accounts used for chapter money and business should be in the chapter's name. **Under no circumstances** should the treasurer conduct chapter business through his personal accounts or have a chapter account in his name.

Good business practice requires the use of **two-signature checks**. This will assure that chapter money is being spent wisely. One signature would be the treasurer's and the other may be the chapter's accountant, advisor, or president. In the past some chapters have experienced the misfortune of a member embezzling funds. Chapters utilizing the two-signature checking account can greatly reduce this risk.

When depositing chapter money into an account, be sure to list the member's name, along with the amount of the check on your copy of the deposit slip. In doing this, the chapter has another record of who has made payments, how much he paid, and can account for all income. This would not be necessary for cash transactions since the chapter would have a copy of the receipt given to the member.

Each month the bank or financial institution will send a statement showing the transactions of each account. The treasurer should always compare the bank statement with his records and ensure that any discrepancies are reconciled. If the treasurer keeps accurate and updated records, reconciling the checkbook can take as little as fifteen minutes a month.

END-OF-YEAR AUDIT

Good business practice also requires that the chapter's books be audited each fiscal year. It is in the best interest of the chapter and treasurer because the audit will assure that all chapter funds are accounted for. A qualified alumnus or a professional accountant should conduct the audit.

INITIATION FEES

Although it is the responsibility of each AM, and not the treasurer, to ensure that his appropriate fees are paid to HQ, the treasurer should act as the primary collection officer for the fees. Take time to explain financial obligations to new members and their parents (see “Letter to Parents,” Appendix E).

As the money is collected, each AM's ledger should be immediately and appropriately credited for the amount paid. Once fees have been collected, **the treasurer should provide one check to HQ with a list of the AMs' names.**

The treasurer's responsibility in this matter is that of an officer on the EBoard. **All officers should ensure that no individual is initiated until permission is granted by the Fraternity HQ.** For information on how permission is granted, see “Advance Payment System” in the *Guide for President*.

CHAPTER ASSESSMENT and BONDING

Each year chapters/colonies are billed for (1) Chapter Service Fees and (2) Risk Management Liability Insurance. The treasurer needs to plan for this in the chapter budget and to ensure that this assessment is paid promptly to HQ

CHAPTER SERVICE FEE

This fee is determined by a formula that includes a fixed figure for all chapters plus a variable figure based on the average number of initiations the chapter had over the previous three years. This fee is used, essentially, to operate the Fraternity program and services each year including (but not limited to) District Leadership Academy registration fees, designated meals and travel reimbursement, convention expenses including travel reimbursement for two chapter delegates, supplement the cost of the chapter visitation program, and to provide a range of support services to chapters and chapter members.

RISK MANAGEMENT ASSESSMENT

Billed at the beginning of school, this fee provides each chapter/colony with liability insurance, fidelity bond coverage, directors and officer insurance, and the Member Accident Protection Program (MAPP) coverage. The assessment is based on total chapter/colony size (the total of actives and AMs) as of July 1. The cost varies each year based on the premium paid by the national organization for all chapter-oriented insurance coverage.

The assessment billed to your chapter includes an experience factor that rewards groups with good risk management practices and/or claim experience, and applies a surcharge to groups with Risk Management Policy violations and/or claim experience. For example:

For risk management **violations** over the past two years:

- For one violation, a 10% surcharge is applied.
- For two violations over the same period, a 50% surcharge is applied.
- For three violations over the same period, a 200% surcharge is applied.

For **claims** which occurred over the past two years:

- For each claim, which occurred in the past two completed policy years where the reserve or paid claim is \$5,000 or less, a 5% surcharge is applied.
- For each claim, which occurred in the past two completed policy years where the reserve or paid claim is more than \$5,000, a 10% surcharge is applied.

Having **NO** claim over the past two completed policy years earns a credit of 5%.

Chapters without a house earn a credit of 10%.

Chapters that employ a **live-in, non-member resident advisor** (housemother, resident advisor) earn a credit of 20%.

Chapters that adopt a **dry house policy** that prohibits the storage or use of alcohol in the house and at the great majority of events/activities conducted by the chapter, whether on or off their property, **may apply** to earn a credit of 30%.

A Chapter/colony **grade point average above the all-male average** for each of the past two academic terms earns a 10% credit. A chapter/colony grade point average above the all-male average for one of the past two academic terms earns a 5% credit. A grade point average of .2 or more above the all-male average for one or two of the two of the past two academic terms will double the credit earned. When comparison grades are not available, a chapter/colony grade point average of 3.0 or better on a 4.0 scale will qualify the chapter/colony for these credits.

PAYMENT OPTIONS

At the beginning of each school year chapters/colonies have three payment options for dealing with the Chapter Service Fees and Risk Management Assessments:

Upfront Option: Pay in full within 30 days and receive a 2.5% discount.

Installment Option: Pay 30% down within 30 days and establish electronic transfer of funds in six equal monthly installments over seven months (November – May) with the option to skip any one month of the chapter's choice indicated when the form is

submitted) with a 2% processing fee added to the total annual fee.

Semester Option:

Pay in two equal installments (September 1 and January 1) at full rate within 30 days of billing, subject to 1.5% per month finance charge after 30 days.

If a chapter does not select an option by October 15 it automatically defaults to the Semester Option.

BONDING

The president and treasurer of each chapter are bonded through a group coverage policy held by the National Fraternity. The cost of the policy is included in the Risk Management Assessment the chapter pays each year. This bond protects chapters if their officers should embezzle any chapter monies.

FUND RAISING

At various times, questions are asked concerning fund raising projects a chapter may sponsor to help support their program. **It is a basic fallacy for a chapter to seek to support its program with money not its own.** The members of a chapter are not receiving a true fraternal experience unless they are shouldering their proportionate share of the chapter's expenses. Every chapter should be self-sustaining, not depending on alumni gifts or fund raising from the community to support the chapter's ongoing activities.

Regarding fund raising for philanthropy, Theta Xi's nationally recognized philanthropies are the National Multiple Sclerosis Society (MS) and Habitat for Humanity (HFH). These efforts are charitable in nature and very appropriate in that they support others in need.

Both Habitat and MS has developed guides and support resources to assist chapters in planning and facilitating fund raising events. Information is available on line at:

- www.habitat.org
- www.nationalmssociety.org

FINANCE COMMITTEE

The financial stability of the chapter should not be a concern of the treasurer alone, but of the chapter as a whole. One way this can occur is through the establishment of a finance committee and the necessary supporting sections of the chapter By-Laws.

The formation of a finance committee enables a greater number of people to become involved in the financial affairs of the chapter, which will lend stability as well as spreading responsibility. Also, it helps to have input from different sources so that when a decision is made, all groups within the chapter structure are represented.

Membership on the finance committee should include:

- the treasurer (presides as chair of the committee)
- the president
- the alumni association treasurer or president
- a member from each class (senior through freshman)

RESPONSIBILITIES OF THE FINANCE COMMITTEE

Prepares Budgets

- Prepares an annual budget by a certain date as stated in the chapter's By-Laws
- Submits the budget for approval to the EBoard
- Presents the budget to the chapter for final approval
- Submits copies of approved budgets to the alumni association, chapter advisor and Fraternity HQ.

Accounts Receivable

- Recommends steps to the chapter to collect accounts receivable (typically outlined in chapter By-Laws)
- Periodically reviews accounts receivable and ensures that the chapter By-Laws are being followed
- Notifies the alumni association, chapter advisor and Fraternity HQ when a member has been placed on financial suspension and again when the member is removed from financial suspension.

Review and Recommend Financial Policy

- Prepares and reviews monthly financial statements
- Submits copies of the monthly financial statements to the alumni association, chapter advisor and Fraternity HQ.
- Reviews financial procedures periodically and recommends changes when necessary.

DEVELOPING CONTINUITY in the TREASURER'S OFFICE

The first way to ensure continuity in the office of treasurer is to have an accounting system, discussed earlier, that does not and will not require changes with each change of officers.

Second, the treasurer's term should last the entire school year, with the treasurer relinquishing his office at the end of the fall term. It is very hard to maintain any type of consistency when there is a change of office in the middle of the year. In this way, the treasurer will be better able to maintain the budget he helped to plan and be better able to know the financial standing of the chapter and members.

Third, the chapter may want to consider electing an assistant treasurer at the end of the spring term who will assume the office of treasurer at the end of the fall term. With this system, the treasurer is able to mentor and educate the assistant treasurer before he assumes full responsibility. Equally important, the assistant treasurer can get a better understanding of the position, before becoming treasurer, and would likely avoid making simple mistakes.

CHAPTER TAX OBLIGATION

It is your responsibility as treasurer to ensure that all obligations to the Federal and State governments are met. (If your chapter has a house, the alumni association or landlord is probably responsible for the payment of property taxes to the local government.)

Federal - The areas of obligation are:

- FICA (Social Security) – If the chapter employs individuals, then FICA taxes must be paid. The IRS 940 Form and the appropriate taxes must be sent to the IRS on a quarterly basis.
- FUTA (unemployment tax) – If the chapter employs domestic service employees, then FUTA taxes may be required. These must be sent with the IRS 940 form and paid on a quarterly basis.
- Not-for-profit exempt status – Each chapter is required to complete an IRS 990 each year within 4 months and 15 days of the end of your fiscal year. (For chapters with fiscal years ending June 30th, these forms are due November 15th.) There are a couple of different versions of the 990. The amount of income your chapter earns over the year determines which version you will use. To determine which one you should use, visit www.irs.gov/charities (as of this printing) and

select the instructions for completing a Form 990. Make sure to review link(s) labeled “Filing Thresholds” for assistance in determining which version.

- Income Tax Withholding – If the chapter employs individuals, then the chapter must withhold a portion of their wages for income tax purposes and forward them to the IRS.

***For specific tax obligations to the Federal government,
contact your local IRS office.***

State and Local - You should check with state and local officials as to your tax obligations. Any obligations will most likely fall under the areas of unemployment taxes, withholding taxes, and/or report of not-for-profit status.

In reading this guide, you may have received the impression that the duties of the treasurer are overwhelming. However, if you do a little every day, involve members of the Finance Committee, and utilize the assistant treasurer, this office can be one of the most effective, efficient, and rewarding. You are actually able to see, in dollars and cents, what you have accomplished.

And your chapter will be stronger because of your efforts.

Appendix A
Sample Housing Contract

_____ Chapter of Theta Xi Fraternity

Agreement for room and board in the _____ Chapter of Theta Xi Fraternity with mutually acceptable benefits, requirements stipulations and privileges by and between above stated Chapter and the undersigned student as hereinafter provided.

1. The undersigned student agrees to accept and retain the room space assigned for the period stipulated below and maintain said room and its contents in good condition and in accordance with house rules. The student further agrees to adhere to all Chapter rules and policies contained in the Chapter's By-Laws.
2. The Chapter agrees to provide such space and maintain the general structure and areas in accordance with university and community standards.
3. The undersigned student agrees to pay to the Chapter the sum of \$____ per month for room, board and other usual Chapter charges for the stated term of this agreement with such amounts due and payable by the 10th of each month.
[The Chapter would do well to establish various payment plans (e.g., biweekly, monthly, quarterly/ each semester) for its members to assure the best possible avenue for timely payments.]
4. The undergraduate student agrees to pay the Chapter a guarantee damage/room and board deposit in the sum of \$____ which will be refundable in full or part upon return of assigned room space and contents in the same condition as when the undergraduate student moved in, normal wear excluded, and upon the undergraduate student's account to the Chapter being paid in full. The undergraduate student agrees to pay the Chapter for any damage to said room space, or other damage that may be caused by the student or guest of the student, and for outstanding charges to his account over and above the amount of said deposit.
5. This agreement by and between _____ and the undersigned student shall be for the period beginning _____, 20____, and is subject to the earlier termination thereof as hereinafter provided.
6. Termination of this agreement shall be only by:
 - A. The undersigned student leaving because of serious illness, death in the immediate family, service to his country, marriage or other good cause reviewed and found to be satisfactory to the (name of local house corporation or alumni association). Termination for any other reason will result in the undersigned being held responsible for payment of all duly charged amounts and forfeiture of all prepaid amounts for which he is obligated.
 - B. The Chapter, when the undersigned student fails to observe all rules and regulations of the Chapter, Fraternity, the College/University, or the Federal, State, and/or municipal governments.

7. This contract shall become null and void for both parties in the event that the Chapter House is rendered uninhabitable by fire, explosion or other catastrophe.
8. The student agrees to pay any collection fees associated with the Chapter hiring a collection agency to secure outstanding fees owed by the student.

In witness of the agreement of the parties hereto, this Agreement is signed by the duly authorized officer of the Chapter and by the student all as of the (day) of (month), (year).

_____ Chapter of Theta Xi
 _____ (signature) _____, Chapter Treasurer
 _____ (signature) _____, Treasurer, Alumni Association*
 _____ (signature) _____, Student Contracting Room & Board

In consideration of the entering into of the above Agreement by the Chapter, the undersigned co-signatory of the above named student hereby guarantees the due and proper performance by said student of the obligations undertaken by said student at any time or times promptly to carry out any obligation on the part of the said student undertaken in the above Agreement, the undersigned upon notice of such default by the Chapter will promptly in all respects perform such obligation.

_____ (co-signer's signature) _____
 Co-signer's Name

Name (printed): _____

Address: _____

Telephone: _____

*Optional, but strongly suggested and recommended that this be a tri-party agreement between the student, the chapter and the alumni association.

The chapter is strongly encouraged to work with the chapter advisor and/or alumni association treasurer to develop a similar contract for "out-of-house" members.

Appendix B
Sample Promissory Note

Amount: \$_____

Date: _____, ____

For value received, I, _____, (hereinafter called the maker), promise to pay to the order of the _____ Chapter of Theta Xi Fraternity, located at _____, in the City of _____ in the State of _____, the principal sum of _____ dollars (\$_____) plus interest at the rate of _____ per cent (____%) per annum accruing from and after _____ for _____. The total amount owed is due and payable on or before _____.

It is further agreed that in case of failure to pay the amount due hereon at maturity, said note shall bear interest at _____ per cent (____%) per annum thereafter until paid in full and said chapter may proceed against an endorser or co-signor individually without first proceeding against the maker.

The maker and/or co-signor of this note hereby agrees to pay all costs of collection, including reasonable attorney's fees and legal expenses, in case payment shall not be made at maturity, and, each and severally, waive presentment for payment, notice of non-payment, protest and notice of protest and diligence in enforcing payment or bringing suit against the party hereto.

Date Due: _____, 20__

(Maker)

(Co-Signor)

(Permanent Address)

(Street Address)

(City, State and Zip Code)

(City, State and Zip Code)

(Chapter Treasurer)

(Chapter President)

(NOTE: The above note should be completed and signed in four copies. The original should be filed and retained in a safe place; one copy should be kept with the Treasurer's records; one copy should be returned to the maker of the note; and one should be sent to the co-signor).

APPENDIX C
Sample Budget

_____ Chapter of Theta Xi Fraternity

INCOME

Rent

1st term ___ men @ \$___x___ months \$_____ \$_____

2nd term ___ men @ \$___x___ months \$_____ \$_____

3rd term ___ men @ \$___x___ months \$_____ \$_____

A. Annual Rent Income \$_____

Board

1st term ___ men @ \$___x___ months \$_____ \$_____

2nd term ___ men @ \$___x___ months \$_____ \$_____

3rd term ___ men @ \$___x___ months \$_____ \$_____

B. Annual Board Income \$_____

Parlor Fees

1st term ___ men @ \$___x___ months \$_____ \$_____

2nd term ___ men @ \$___x___ months \$_____ \$_____

3rd term ___ men @ \$___x___ months \$_____ \$_____

C. Annual Parlor Fee Income

Building Fund

1st term ___ men @ \$___x___ months \$_____ \$_____

2nd term ___ men @ \$___x___ months \$_____ \$_____

3rd term ___ men @ \$___x___ months \$_____ \$_____

D. Annual Building Fund Income \$_____

Social Fees, Dues and Assessments

1st term ___ men @ \$___x___ months \$_____ \$_____

2nd term ___ men @ \$___x___ months \$_____ \$_____

3rd term ___ men @ \$___x___ months \$_____ \$_____

E. Annual Fees, Dues and Assessments
\$_____

Total Anticipated Income (A – E above): \$_____

EXPENSES	Current Year	Projected
Payroll	\$ _____	\$ _____
Housemother	\$ _____	\$ _____
Cook	\$ _____	\$ _____
Resident Advisor	\$ _____	\$ _____
Housekeeping	\$ _____	\$ _____
Waiters	\$ _____	\$ _____
1. Annual Payroll Expense	\$ _____	\$ _____
Payroll Taxes	\$ _____	\$ _____
FICA	\$ _____	\$ _____
FUTA	\$ _____	\$ _____
State Unemployment	\$ _____	\$ _____
2. Annual Payroll Taxes Expense	\$ _____	\$ _____
Fringe Benefits		
Telephone	\$ _____	\$ _____
Entertainment	\$ _____	\$ _____
Other	\$ _____	\$ _____
3. Annual Fringe Benefits Expense	\$ _____	\$ _____
Rent (Including mortgage, property insurance and taxes)		
4. Annual Rent Expense	\$ _____	\$ _____
Utilities		
Electric	\$ _____	\$ _____
Gas	\$ _____	\$ _____
Garbage	\$ _____	\$ _____
Television/Cable/Internet	\$ _____	\$ _____
Telephone	\$ _____	\$ _____
5. Annual Ins/Utilities Expenses	\$ _____	\$ _____

Repair and Maintenance		
Furniture/Equip Maintenance	\$ _____	\$ _____
Yard Maintenance	\$ _____	\$ _____
House Repair	\$ _____	\$ _____
Housekeeping Supplies	\$ _____	\$ _____
6. Annual Repair/Maintenance Expense	\$ _____	\$ _____

Laundry	\$ _____	\$ _____
7. Annual Laundry Expense	\$ _____	\$ _____

Kitchen		
Food	\$ _____	\$ _____
Supplies	\$ _____	\$ _____
Laundry	\$ _____	\$ _____
8. Annual Kitchen Expense	\$ _____	\$ _____

Social		
Functions/Mixers	\$ _____	\$ _____
Homecoming	\$ _____	\$ _____
Founder's Day Celebration	\$ _____	\$ _____
Parent's Day(s)	\$ _____	\$ _____
9. Annual Social Expense	\$ _____	\$ _____

Alumni		
Newsletter	\$ _____	\$ _____
Website	\$ _____	\$ _____
Other	\$ _____	\$ _____
10. Annual Alumni Expense	\$ _____	\$ _____

Membership Recruitment		
Entertainment	\$ _____	\$ _____
Travel	\$ _____	\$ _____
Printing	\$ _____	\$ _____
Postage	\$ _____	\$ _____
Telephone	\$ _____	\$ _____
Recruitment Chairman	\$ _____	\$ _____

11. Annual Membership Expense \$ _____ \$ _____

Chapter Operations		
Postage	\$ _____	\$ _____
Printing	\$ _____	\$ _____
Photography	\$ _____	\$ _____
Ritual Supplies	\$ _____	\$ _____
IFC Dues	\$ _____	\$ _____
Risk Management Assessments	\$ _____	\$ _____
Chapter Service Fees	\$ _____	\$ _____
Supplies/Stationary	\$ _____	\$ _____
Other	\$ _____	\$ _____

12. Annual Chapter Operations Expense \$ _____ \$ _____

Intramurals		
Fees	\$ _____	\$ _____
Uniforms/Jerseys	\$ _____	\$ _____
Supplies	\$ _____	\$ _____

13. Annual Intramurals Expense \$ _____ \$ _____

Conferences		
Chapter Retreat	\$ _____	\$ _____
Officer Retreat	\$ _____	\$ _____
National Convention	\$ _____	\$ _____
Presidents Academy	\$ _____	\$ _____
Rising Stars Academy	\$ _____	\$ _____
District Leadership Academy	\$ _____	\$ _____

14. Annual Conference Expense \$ _____ \$ _____

Campus Activities

Yearbook	\$ _____	\$ _____
Greek Week	\$ _____	\$ _____
Other	\$ _____	\$ _____

15. Annual Campus Activities Expense

\$ _____	\$ _____
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Other

Legal and Accounting Expense	\$ _____	\$ _____
Gifts and Donations Expense	\$ _____	\$ _____
Miscellaneous	\$ _____	\$ _____
Bad Debts	\$ _____	\$ _____

16. Annual Other Expense

\$ _____	\$ _____
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Total Anticipated Income (A-E in top section) \$ _____

Total Anticipated Expense (1-16 in bottom section) \$ _____

Anticipated Gain or (Loss) \$

=====

Appendix D
Sample Letter to Co-Signor
When an Account Has Become Delinquent

Chapter Letterhead

Date

Dear Mr./Mrs./Ms. _____:

Many of the men in our chapter work directly with their co-signor for financial guidance. Accepting a financial obligation while in college is a great challenge and we would like you to help us.

_____ has fallen behind in his payments with the Chapter, in the amount of \$_____. While this has not yet reached a dangerous amount, it does raise concern. We do not want to see Brother _____'s debt to the chapter reach a point where neither the individual nor his co-signor can meet the payment. We have talked with _____ many times about this but the problem still remains.

We feel that _____ might need some help from you, hopefully no more than a little budget advice. We would appreciate your assistance in talking with _____ and encouraging him to bring his account up to date. A copy of _____'s bill is enclosed for your information.

Your understanding and help are greatly appreciated. If you have any questions, please contact me.

Sincerely,

Name _____
Treasurer, _____ Chapter
Theta Xi Fraternity

