

FINANCIAL HEALTH 101

CHAPTER FINANCES

WHAT IS THIS?

Financial Health is a term used to describe an organization's financial standing. This takes into account the amount of assets you own, how much revenue you make, and how much you are spending on recurring or special expenses.

GETTING STARTED

Before you start spending your Chapter's money on social events and bonding activities, check with Fraternity Staff or advisors.

FIND A BUDGETING PLATFORM to help keep your finances organized. There are hundreds of platforms in use to help you organize finances; spend some time researching which platform will work best for you. The Fraternity suggests using Alpha Fraternity Management and Quickbooks.

MAKING A BUDGET

You should maintain a budget PER SEMESTER for your Chapter. Keeping track of yearly expenses can be overwhelming, and some revenue sources or expenditures may only apply to part of the year so budgeting out per semester is the best way to go.

There will be two main categories for your budget: Revenue and Expenses.

REVENUE may include:

- Member dues
- Alumni donations
- Resources from Headquarters
- Fines (if applicable)
- Foundation Resources

EXPENSES may include:

- Social & Philanthropy events
- Lodge bills
- Tax & Insurance
- Donations
- Unexpected charges

There may be other sources of revenue & expenses that apply specifically to your Chapter. Sit down with your advisors and Executive Committee to review what should be included. Each of these areas can be expanded upon in more detail.

CHAPTER DUES

Dues from your members are the most consistent way your Chapter will collect revenue to spend throughout the school year. Organizing a plan early on that outlines how to pay dues, deadlines, total cost, and penalties will help keep you on track for the year. Review with your advisors and Executive Committee any Fraternity policies.

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Communicate the following with your members about their dues:

- Total cost (per semester & year)
- Payment Plan options
- Late fees & penalties
- What exactly their dues pay for
- Expectations of payment
- How to pay dues
- Who to contact if there are issues/questions
- Difference between one-time fees and recurring dues
- Explanation if dues are all-inclusive or if members may need to pay for additional items out-of-pocket

BOOKKEEPING

Keeping a detailed record of your transactions is vital in maintaining good financial health. Every time you purchase an item using your Chapter's money, you need to enter it into your budget under its proper category. This way you will be able to see if you are keeping to your set budget, if you have extra money in savings, or if you have spent more than you have.

WHAT NOT TO DO

DO NOT ACCEPT CASH. When members pay dues they need to be in check, money order, or card format and paid directly to the Chapter. "Passing the hat" or collecting cash from members that is then used in programming or social events is a misuse of funds. Chapters can get into serious issues if they are accepting cash to pay for events.

DO NOT SIGN CONTRACTS WITHOUT REVIEW. Any time you work with vendors or venues, be sure to review the contract in detail. Fees and penalties may be riddled throughout the contract that you are unaware of, placing your Chapter in a vulnerable place financially should the contract be broken. Review the contract with your advisors or with Fraternity Staff.

DO NOT IGNORE YOUR BYLAWS. Check your local Chapter's bylaws and review if you already have policy in place when it comes to your finances. Check with Fraternity Staff to see if there are specific regulations you need to follow. Not aligning with policies already in place could result in negative consequences for your Chapter.

QUESTIONS?

If you or your members have questions or want more information on finances, contact Turner Spears, Director of Administrative Services.