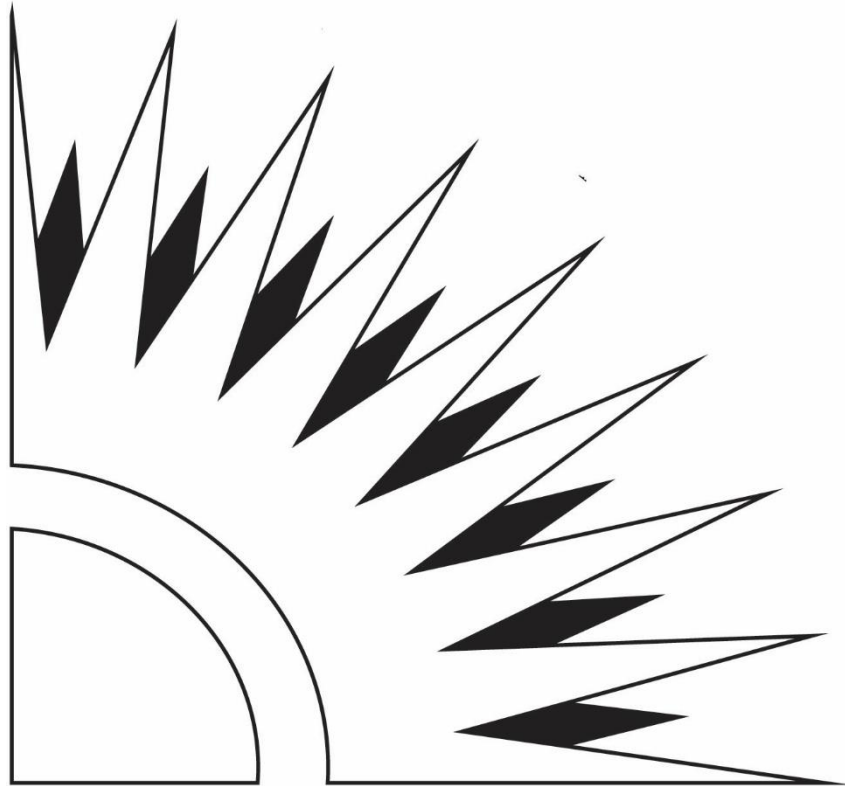


DOLLAR\$ AND \$ENSE

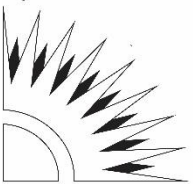


National Pan-Hellenic Council

Presenter: Toni H. Johnson
National Treasurer 2020-2022

Agenda

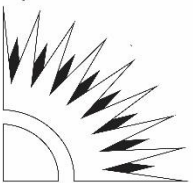
- Inspiration
- Introduction
- Roles and Responsibilities
- Fiduciary Responsibilities
- Fiscal Policies and Procedures
- Fiscal Operations
 - Safeguarding Chapter Assets
 - Annual Filing – 990-N
 - Bonding Insurance
 - General Liability Insurance
- Questions and Answers



Inspiration

“Change will not come if we wait for some other person or some other time. We are the ones we've been waiting for. We are the change that we seek.” —

Barack Obama



Toni H. Johnson

A Christian, Mother, Sister, Lifetime Member of Delta Sigma Theta Sorority, Inc., NPHC National Treasurer, Senior Project Manager, and Educator

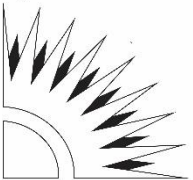
Bethune Cookman College 1976-1979

- Bachelor of Science Mathematics
- Initiated – Delta Alpha 1978

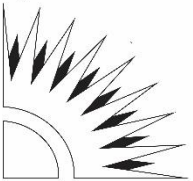
George Washington University - 1999

- Masters Certificate In Project Management

Over 30 years of experience in area of Finance



Roles and Responsibilities



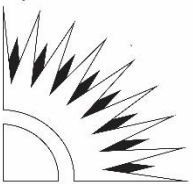
Chapter Fiscal Officers

These are Fiscal Officers

- President
- Treasurer
- Financial Secretary

These are **NOT** Fiscal Officers

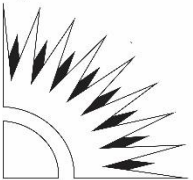
- Vice President
- Fundraising Chairperson
- Audit Chairperson



Roles and Responsibilities

President:

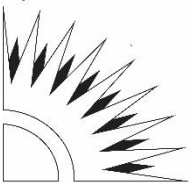
- Manages and oversees the operation of the council
- Is accountable to the council for the expenditure of funds
- Serves as “exchequer of finances” meaning the President is responsible for the management and collection of revenue
- Approves the expenditure of funds (ensures that all checks have two signatures)
- Under NO circumstances should the President pre-sign checks
- Ensures a voucher system is used for the disbursement of funds
- Ensures all fiscal officers are bonded
- Signs all checks except his/her own



Roles and Responsibilities

President cont'd:

- Initials all deposits that contain cash
- Ensures treasurer and financial secretary provided separate written reports
- Ensures the Annual Financial Report is completed
- Ensures the outgoing and incoming fiscal officers conduct an effective transition



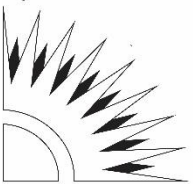
Roles and Responsibilities

President - cont'd

- Reviews all bank statements and fiscal officers reports monthly using the following guide:

President's Check List

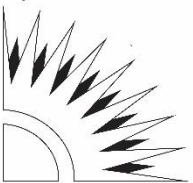
- The balances on the bank statements match the reports of the treasurer and the financial secretary.
- There are no deposits or withdrawals that are not recognized.
- All checks have the signature of the President.
- Were deposits made within timely manner of you signing the deposit slip
- The deposits listed on the treasurer's report match the totals indicated on the financial secretary's report.



Poll # 1

All checks have the signature of
the President

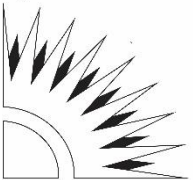
- True or **False**



Roles and Responsibilities

Treasurer:

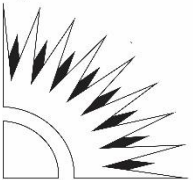
- Keeps the official financial records of the council
- Provides a written report of the council income and disbursements monthly
- Keeps actual records of income, disbursement & summary ledgers on a monthly basis
- Prepares and submits annual fiscal reports by the established due dates
- Submits council annual dues to National Office by February 15th
- Makes disbursements on written authorization as outlined in the local council policies and procedures (ensures all checks have two signatures)
- Signs all checks except his/her own



Roles and Responsibilities

Treasurer - cont'd

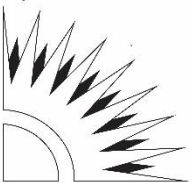
- Ensures a voucher system is used for the disbursement of funds
- Reconciles all accounts on a monthly basis
- Ensures books are audited in accordance with current internal audit guidelines
- Presents the annual budget for the ensuing fiscal year to the council for approval
- Monitors expenditures of the chapter budget
- Ensures the Annual Financial Report is completed



Poll # 2

The Treasurer ensures that disbursements made are authorized by an approved budget or approved separately by the chapter.

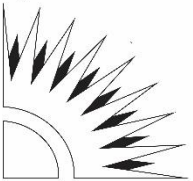
True or False



Roles and Responsibilities

Financial Secretary

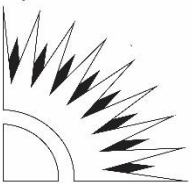
- Records all income received
- Issues official receipt for income immediately upon receipt of funds
- Turns all funds over to the Treasurer in a timely manner
- Serves as one of the authorizers for expenditures
- Signs checks only when reimbursement is for another fiscal officer or when specifically requested by the President. (This should be a rare occurrence)
- Presents a written monthly report to the chapter of all income received



Poll # 3

Financial Secretary does not sign checks

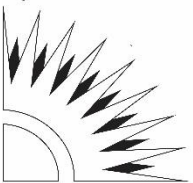
True or **False**



Roles & Responsibilities

INTERNAL AUDIT COMMITTEE

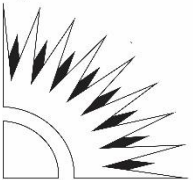
- Consists of at least three members, who are not the current fiscal officers but who have some knowledge of the chapter's fiscal operations
- Conducts quarterly reviews of the chapter's records and reports to the chapter its findings
- Reviews and proposes internal controls



Roles & Responsibilities

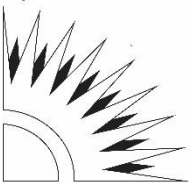
COMMITTEE CHAIRPERSONS

- Submits an annual committee budget to the per the chapter's Policies and Procedures
- Approves all committee expenditures, but does not approve or request reimbursement for expenditures that are not budgeted
- Ensures that the President signs all contracts and letters to external parties
- Advises the Treasurer of all vendor payment requirements
- Secures general liability insurance for all programs or events that are attended by individuals that are not members of the chapter

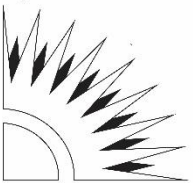


Fiduciary Responsibility

- **Chapter fiscal officers** have a fiduciary responsibility to the chapter to ensure that the chapter's resources are appropriately safeguarded
- **Chapter members** are responsible for following financial processes, reviewing financial reports and asking questions and keeping abreast about the chapter's finances



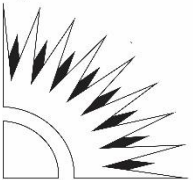
Fiscal Policies & Procedures



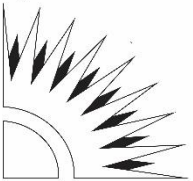
Chapter Policies and Procedures

All chapters should have a finance section of their policies and procedures which address the following:

- Fiscal Roles & Responsibilities
- Dues
- Travel Policy
- Returned Check Policy
- Reimbursement/Cash Receipt Policy
- Per Diem Calculation
- Bonding
- Budgeting
- Internal Audits
- Fiscal Reports
- Fundraising



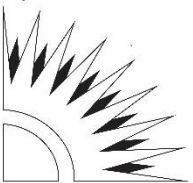
Fiscal Operations



Fiscal Operations – Cont'd

Safeguarding Council Assets

The council's fiscal officers have a fiduciary responsibility to safeguard chapter assets in order to prevent losses, limit access to assets, promptly disclose discrepancies and provide accurate financial information. This includes cash and checking accounts . The misappropriation of funds is due primarily to fiscal officers not performing their duties and responsibilities. All councils should have Council Policies and Procedures/By-Laws in place that define internal controls for safeguarding council assets and documents the responsibilities of each fiscal officer.



Fiscal Operations – Cont'd

Safeguarding Chapter Assets – cont'd

Internal control procedures should include but not be limited to the following:

- **Business Bank Accounts are required** to include the council name, i.e.
 - ***National Pan-Hellenic Council **at** Great University or National Pan-Hellenic Council of City/Area***
- **Business Bank Accounts are required** to have their own Employer ID Number(EIN).
 - <http://www.irs.gov/Businesses/Small-Businesses-&Self-Employed/How-to-Apply-for-an-EIN>
- NPHC Councils are 501(c)(7) – Tax Exempt **not** Tax Deductible

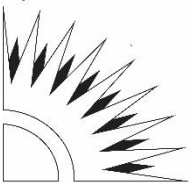
Note: Accounts must not be associated with a members Social Security Number.



Poll # 4

**NPHC Councils are 501(c)(7) - Tax
Deductible**

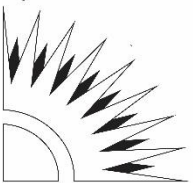
True or False



Fiscal Operations – Cont'd

Safeguarding Chapter Assets – cont'd

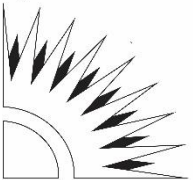
- Adopt a budget annually
- Preparing bank reconciliation statements monthly
- Depositing funds within a timely manner of receipt
- Preparing and presenting written monthly financial statements to the financial chapter members
- Having adequate bonding of chapter fiscal officers (President, Treasurer, Financial Secretary)
- Requiring a minimum of two signatures on checks.
 - Collegiate- Advisor is one of the required signatures



Fiscal Operations – Cont'd

Safeguarding Chapter Assets – cont'd

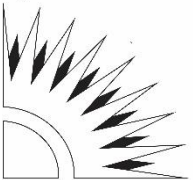
- Transacting all financial business (collecting funds & writing checks) in council meeting or any time or place designated by the President and fiscal officers
- Certified checks, personal checks and money orders are the preferred method of collecting all council dues, fees and other funds. The Collection of cash is strongly discouraged
- Issuing checks only when expenditures are authorized
- Using a voucher system for all transactions
- Obtaining sales slips, invoices, receipts, etc. to support payment vouchers
- A council shall not issue a check payable to CASH
- Under **NO circumstances should checks be pre-signed**
- Under **NO circumstances should a fiscal officer sign a check made payable to themselves**



Poll # 5

A fiscal officer should sign a check made payable to themselves

True or **False**



Fiscal Operations – Cont'd

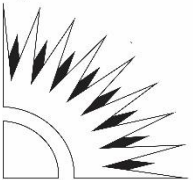
Peer-to-Peer Payment Systems

Peer-to-peer payment systems are applications that allow users to send money to one another from their mobile devices through a linked bank account or card.

Examples include, but are not limited to:

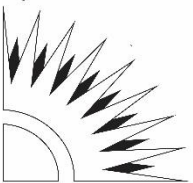
- CashApp
- Zelle
- Venmo

Important Note: Banks/Peer to Peer systems only offer protection for **unauthorized transfers** – authorized payments are the consumer's responsibility.



Bonding Insurance

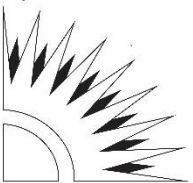
- The bond covers the designated position for such losses as the chapter “may sustain of money or other property, through larceny, theft, embezzlement, forgery, misappropriation, wrongful abstraction, willful misapplication or any other fraudulent, criminal, or dishonest act or acts, committed directly or through connivance with others by any person in the chapter while occupying and performing the duties of any of the positions.
- The bond **does not** cover the theft of council money **from the person(s) bonded by the chapter.**
- The bond **does** cover the theft of chapter money **if it is stolen by the person who is bonded by the chapter.**
- **THE CARRIER REQUIRES COUNTER SIGNATURES ON ALL ACCOUNTS.**



Poll # 6

The bond covers the theft of council money from the person(s) bonded by the chapter.

True or **False**



ANNUAL ELECTRONIC FILING REQUIREMENT FOR SMALL EXEMPT ORGANIZATIONS (normally \$50,000 or less) — Form 990-N (e-Postcard)

WHO NEEDS TO FILE

- Local NPHC Councils are responsible for filing their own form 990-N.
 - 990-N- Electronic Notice (e-Postcard) for Tax-Exempt Organizations Not Required to File Form 990 or Form 990EZ, must be submitted electronically filing.



ANNUAL ELECTRONIC FILING REQUIREMENT FOR SMALL EXEMPT ORGANIZATIONS (normally \$50,000 or less) — Form 990-N (e-Postcard) – Cont'd

Form 990-N is due every year by the 15th day of the 5th month after the close of your tax year.

- **Example:** If your tax year ended on December 31, the e-Postcard is due May 15 of the following year. If the due date falls on a Saturday, Sunday, or legal holiday, the due date is the next business day.

Important Note:

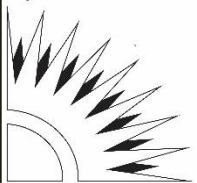
- Organizations that fail to file required Forms 990, 990-EZ or 990-N for three consecutive years will automatically lose their tax-exempt status..



ANNUAL ELECTRONIC FILING REQUIREMENT FOR SMALL EXEMPT ORGANIZATIONS (normally \$50,000 or less) — Form 990-N (e-Postcard) – Cont'd

INFORMATION YOU WILL NEED WHEN FILING FORM 990-N

- Employer identification number (EIN),
- Tax year
- Legal name and mailing address
- Any other names the organization uses
- Name and address of a principal officer
- Web site address if the organization has one
- Confirmation that the organization's annual gross receipts are \$50,000 or less
- If applicable, a statement that the organization has terminated or is terminating (going out of business)



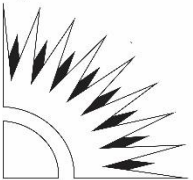
General Liability Insurance

Special Events

Coverage

General Liability policy extends coverage to the normal operations of chartered chapters including bodily injury, property damage, personal and advertising injury for which the chapter may become liable as a result of negligence.

- Fundraising events or special events involving non-members require the chapter to carry additional liability insurance
- Additional coverage is based on the number of attendees
- Grouping events together under an umbrella policy will save the chapter money



NPHC Dues

- The fiscal year of NPHC is from January 1st to December 31.
- 2021 Dues are due by February 15, 2021.



NPHC Dues Structure

- Undergraduate Council Dues-\$150.00
- Alumni Council Dues
 - 1-9 Chapters = \$250
 - 10-19 Chapters = \$300
 - 20-29 Chapters = \$350
 - 30+ Chapters =\$450

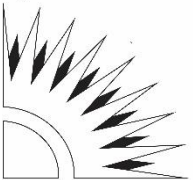
Late Fee of \$25 **must** be added after
February 15th



Poll # 7

Late Fee of \$25 must be added
after February 1st

True or False



Council Annual Reports

Due Date

- **March 1, 2021**

Emailed to:

- treasurer@nphchq.com
- Subject Line: Chapter Name-2020
Annual Report

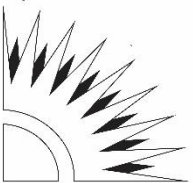


Council Reports

- Council Year End Report
 - 2020 Council Fiscal Accounting
- Council Roster
 - Executive Board
 - Chapter President Information
 - Chapter Delegates/Representatives

Due Date

March 1, 2021



Questions



Contact Information:
Toni H. Johnson
treasurer@nphchq.com

