



TREASURER

RESOURCE GUIDE



PHI DELTA THETA
Become the greatest version of yourself

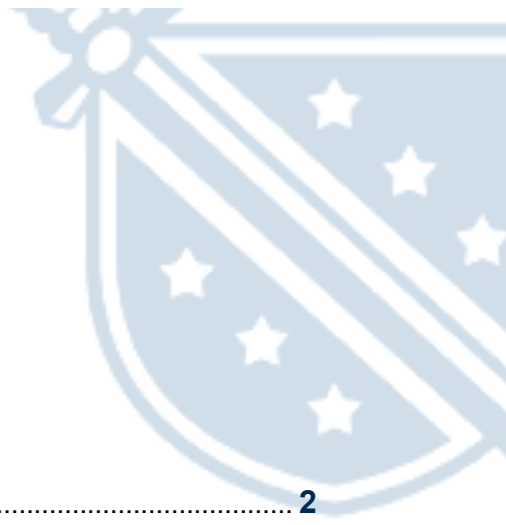


TABLE OF CONTENTS

Introduction

Section 1 -The Office of the Treasurer

<u>Responsibilities and Expectations</u>	2
--	---

Section 2 – Working with General Headquarters

<u>Reports required by General Headquarters</u>	3
---	---

<u>Service Charges</u>	3
------------------------------	---

Section 3 – Steps for Success: Accounting Procedures

<u>Introduction</u>	4
---------------------------	---

<u>Annual Budget</u>	4
----------------------------	---

<u>Throughout Each Month</u>	5
------------------------------------	---

<u>End of the Month</u>	5
-------------------------------	---

<u>Protecting Your Chapter’s Money</u>	5
--	---

Section 4 – Income Taxes

<u>Background and Legal Information</u>	6
---	---

<u>Liabilities of Undergraduate Chapters</u>	7
--	---

Section 5 – Paying Your Bills

<u>Introduction</u>	8
---------------------------	---

<u>Prioritize Payments</u>	8
----------------------------------	---

Section 6 – Collection of Accounts

<u>Introduction</u>	9
---------------------------	---

<u>Room and Board Contracts</u>	9
---------------------------------------	---

<u>Note Agreements</u>	9
------------------------------	---

<u>Set Collection Policies in Chapter Bylaws</u>	9
--	---

Appendix and Resources

Budgeting 101

<u>What is a budget</u>	i
-------------------------------	---

<u>How do I prepare a budget</u>	i
--	---

<u>How do I revise my budget</u>	ii
--	----

<u>Things to keep in mind when budgeting</u>	ii
--	----

<u>The Finance Committee</u>	ii
------------------------------------	----

<u>Techniques for the Treasurer</u>	iii
---	-----

<u>Steps for Collections</u>	iv
------------------------------------	----

<u>Communicating Financial Obligations to the Chapter</u>	v
---	---

<u>About Vault from OmegaFi</u>	vi
---------------------------------------	----

For More Resources, Check out the [Treasurer's Section](#) of the Phi Delta Theta Website.

INTRODUCTION

Congratulations on your election to the position of Treasurer. It is one of the most important roles in the chapter. Upon your shoulders rests not only the financial well-being of your chapter for the current year, but also the future of your organization. The treasurer should develop a routine complete with:

1. Consistent financial recording
2. Reporting to the Chapter Advisory Board and Province President
3. Preparing an annual budget
4. Procedure for billing and collection of accounts from members
5. Making sure all Accounts Payable are paid, and paid on time
6. Prepare and file the Chapters' taxes in a timely manner

The treasurer's position requires strong discipline and attention to detail. Financial records must be consistent and accurate. There will be times when your leadership will threaten your relationships with some of the brothers. To become and remain effective as a treasurer, you must not allow your personal biases or friendships to affect the efficiency of your responsibilities. You must study in depth the problems or situations and make informed decisions.

A treasurer does not have to be an accountant or a business major, but rather a brother who will be dedicated, conscientious, and willing to keep the chapter finances in control. If you ever find yourself "backed in a corner" or have a question regarding a bookkeeping procedure, look to an alumnus, professor or professional accountant/businessperson, they should prove to be excellent resources.

Proper uses of the finance committee, financial or chapter adviser, house corporation and province president can be of great assistance to you. They can help to establish a better understanding of chapter needs and financial priorities, to institute a solid collection policy and to provide the necessary support on important decisions. An assistant treasurer, whether elected or appointed during the current treasurer's term of office can also be a useful aide. In addition to easing the work load, an apprentice helps to safeguard future financial stability and continuity.

Do not allow the position of treasurer to overwhelm other responsibilities! Utilize the resources for the position, manage your time effectively, and maintain strict organization of your responsibilities. The job treasurer, though difficult, can provide you with ample leadership experience.

SECTION I

THE OFFICE OF THE TREASURER

“The Treasurer shall collect all monies due to the General Fraternity and the chapter, giving receipts therefore, and shall disburse the same according to generally accepted accounting procedures. He shall make all payments to the General Fraternity, and shall keep proper account books as prescribed by the General Council. He shall render a statement of the financial condition of the chapter monthly to the Province President, the Chapter Advisory Board Chairman, Leadership Consultant, and to his own chapter. Below is a list of duties and responsibilities of your new position.”

Responsibilities and Expectations

1. **Inform all members**, including Phikeias of their financial obligation to Phi Delta Theta.
2. **Collect all monies owed to the chapter**, including those from members that may have graduated or left the chapter owing money, in a timely manner.
3. **Fulfill payment of all accounts payable in a timely manner.**
4. **Prepare a balanced budget by the beginning of each school year** to ensure the chapter does not incur debt. Make sure each officer is aware of the money that has been budgeted for him to work with.
5. **Maintain a complete and organized set of bookkeeping records.**
6. **Prepare and file the Chapters' taxes to remain income tax exempt.** Typically form 990 or 990-n should be completed by Tax Day each year.
7. **Complete a financial audit and submit it to the Province President.**
8. **Submit to James R. Favor and Company payment for all liability insurance by October 1.**
9. **Be familiar with and enforce all rules and regulations** concerning finances set by the General Fraternity and your chapter.
10. **Delegate appropriate tasks and responsibilities** to an assistant to help in fulfillment of all duties and responsibilities.
11. **Submit to the General Fraternity all Phikeia dues with 10 days** of being induction and initiation.
12. **Maintain good financial relations with the university and IFC** by paying bills by the due date.
13. **Prepare and deliver an officers report** at each executive committee meeting and each chapter meeting.
14. **Be aware of all chapter obligations concerning financial matters** and guarantee that your successor is aware of these as well.

SECTION II

WORKING WITH GENERAL HEADQUARTERS

The General Headquarters is responsible for collecting dues and fees set from members Chapters as set forth by the Code and the General Convention. As such, below are details about mandatory bills and financial assessments that Treasurers should account for in their budgeting process. Information about deadlines can be found in the Chapter Greatness Checklist (CGC).

Reports required by General Headquarters

1. Insurance Premium due to James R. Favor & Company by October 1.
2. Zero Balance with GHQ by April 30.
3. Insurance Premium due to James R. Favor & Company by October 1.

Along with those reports the treasurer should work closely with the President to help him put together the required packets for the Fall, Winter, Spring and Summer reports outlined in the CGC.

Collection and Submission of Phikeia dues, initiation, and membership dues

1. Phikeia and re-pledge dues as of January 1 2017 are **\$85.00**
2. Initiation dues as of January 1, 2017 are **\$255.00**
3. Membership dues as of January 1, 2015 are **\$135.00**

All Phikeia, re-pledge and initiation dues are to be submitted to the General Headquarters within ten (10) days of induction or initiation.

Service Charges

The service charge system is a monthly assessment of charges for money owed by a chapter, House Corporation, alumni club or an individual to the General Fraternity. The service charges are calculated during the month-end procedure. **All charges are due within 30 days from the date of the invoice.** The service charges are determined as follows:

Example:

If a chapter owes the General Fraternity \$2,000.00, the total monthly service charge will be \$30.00 (**Service charge = 1.5%**). If a payment plan is needed, this must be set up through the Director of Chapter Services.

All payments received from Phi Delta Theta chapters or house corporations will be automatically applied toward the oldest charge(s) for the chapter or house corporation. The following procedure will be followed if a Chapter or House Corporation is delinquent in their financial obligations:

- 1) If a chapter becomes 60 days delinquent of any invoice, a letter will be sent to notify the chapter of the

delinquency and to put the chapter members on notice that the amount which is 60 days past due must be paid within 30 days.

- 2) Failure to pay the delinquent balance within the 30-day deadline will result in automatic suspension of operations.
- 3) The chapter may be automatically reinstated to good standing upon receipt of payment for the delinquent balance.

If a house corporation has an invoice which becomes 60 days delinquent, a letter will be sent to the house corporation of the delinquency, putting the members of the house corporation on notice that the payment must be received within 30 days. The house corporation will lose all charging privileges until the balance is paid.

SECTION III

ACCOUNTING PROCEDURES

In an effort to inform treasurers of the kinds of things they will have to do, this section of the Manual provides a sample outline of common accounting procedures with which you need to be familiar. The specifics of how each chapter's finances are operated may vary yet the main procedures are common throughout the Fraternity. You will need the following items:

- **Members' monthly bill record:** a spreadsheet with members' names, credit and debit columns. This details where the money is being spent and how much each person owes
- **Income and expenditures list:** lists all deposits and withdrawals made to and by the chapter. It could be described as a combination of the monthly bill and your personal checkbook. Be sure to record all important information and keep it up-to-date
- **Receipts:** a receipt should be given for all money received and can be made from a receipt book or on computer;
- **Annual budget**
- **Checkbook or chapter credit card:** all payments should be made by check or card
- **Bank statements.** If you have further questions, please contact the General Headquarters which can help you tailor procedures to your chapter's needs.

Steps for Success: Creating the Annual Budget

1. **Determine the chapter's revenue** for the semester. Multiply the dues amount by the number of actives, and also include expected donations to the chapter.
2. **Each officer should prepare** an estimation of the funds needed to meet his plans for the semester. He should be as specific as possible. Also, use the previous year's financial policies for your chapter.
3. **Account for fixed and mandatory expenses** like GHQ and IFC dues, insurance, utilities, and convention fees.
4. **After compiling these expenses**, the next step is to draft an overall chapter budget. A few question you should ask are:
 - a. Do our expenses exceed our revenue?
 - b. Are there any expenses we have not included? Greek Week, Composite, Leadership Consultant.

- c. If our expenses are greater than our revenues, what then? Do we raise dues, or cut expenses?
5. **Now, present the entire budget to the chapter for approval.** Not only should the brothers have a say in how the money is spent, but this also educates them as to how their dues contribute to the overall chapter financial position.
 6. **Once the budget is approved,** you can input the figures into the Excel or Google budget spreadsheet.

Steps for Success: Throughout Each Month

1. **Collection of dues and money**
 - a. **Income and Expenditures:** record the amount, check number (or payment type), date received, from whom, and how the money was allocated in the budget.
2. **Receipt:**
 - a. As a policy, it is wise to make out a receipt for all money received. This provides a useful double check for your cash book.
3. **Bank Deposits**
 - a. A record of deposits should be kept in your spreadsheet.
 - b. Your deposit should equal the sum of the collections to that point.
 - c. Record deposits in the checkbook; otherwise the running balance will be in error.
4. **Payments**
 - a. Record the amount in the checkbook and calculate new balance.
 - b. Record in the cash book the amount of the check, what the check is for, the date, and the check number.

Steps for Success: End of Each month

1. **Income and Expenditures**
 - a. Review deposit and payment records, correct any problems
 - b. Determine total debits and credits made to budget categories
 - c. Figure and check the running balance of all chapters accounts
2. **Accounts receivable and accounts payable analysis**
 - a. List all accounts that are past due as of the end of the month
3. **Balance Sheet**
 - a. A balance sheet lists all the chapters' assets (money brought in) and liabilities (money going out). After adding up the assets list your liabilities and total them. Finally, the difference between total assets and total liabilities becomes you total liabilities surplus.

Protecting Your Money: Vital Information of Insurance

Part of Phi Delta Theta's insurance coverage includes the "Crime/Bond Policy." This policy provides insurance coverage for your chapter and house corporation in the case of embezzlement only if the

following criteria are met:

- 1. Dual signature checks are required.** The chapter treasurer should not be the primary signer on the account. Dual signature checks should be used, with two of the following officers suggested, president, vice-president, secretary, or treasurer. The treasurer should avoid signing checks as much as possible. He should only sign a check if he cannot find another officer listed as a second signer. Contact your bank and ask for two signature lines and your next order of checks.
- 2. Reconciliation of the monthly bank statements.** All checking or savings account statements should be mailed directly to, and within a reasonable period of time to an individual not authorized to make deposits, make withdrawals, or sign checks. Failure to comply with this requirement would result in no coverage in the case of loss by the chapter or house corporation.

Protecting Your Money, Continued

Another part of Phi Delta Theta's insurance coverage includes the general liability policy. The chapter treasurer has a duty to ensure that the following Risk Management Policy is followed:

- 1. Purchase of alcoholic beverages.** According to the *Risk Management Policies* of Phi Delta Theta, "No chapter may purchase alcoholic beverages with Fraternity funds, nor may any member in the name of or on the behalf of the chapter coordinate collections of any funds for such a purchase. This includes, but is not limited to, the purchase of kegs, and other bulk quantities of alcoholic beverages."

Please be advised that failure to abide by this policy negates the chapter's liability insurance coverage.

Tax Forms

There are several important tax forms that need to be filed with the Internal Revenue Service or Revenue Canada (Canadian chapters). Please refer to the below section on Filing Taxes for information on various tax forms.

SECTION IV

FILING INCOME TAXES

Each year, EVERY Chapter of Phi Delta Theta must file their taxes, regardless of how many members you have, or how much money you collect each year in dues. It is the Treasurer's responsibility to ensure this happens.

If you do not file your taxes, you can face significant financial penalties and you can also lose your “Title IX exemption status” which is how we exist as a men’s organization.

The Background and Legal Information:

Chapters of Phi Delta Theta are held to be entitled to exemption from federal income tax, along with General Headquarters under section 101 (9) of the Internal Revenue Code of 1939 or what is now Section 510 (c)(7) of the 1954 code.

These returns have been and must be filed with the District Director in the Internal Revenue District in which the local chapter is located.

Form 990 must be filed on or before the 15th day of the 5th month after the organization’s accounting year. Thus, an organization that functions on a calendar-year (January-December) basis must file its tax return by May 15. If any return cannot be filed by the due date, a request for an extension should be sent to the Internal Revenue Service Center. For more information:

- <http://www.irs.gov/instructions/i990ez/>

If a required return is not filed by the due date, or the extended due date, the law imposes a penalty for each day the return is late, up to a maximum penalty, unless reasonable cause can be shown for late filing.

Although you probably have been properly filing these returns this would be a good time to check the status of the chapter’s tax situation. If returns have been haphazardly handled, we suggest that the arrangements for filing the proper returns on time be made as soon as possible. Every chapter must also have its own Federal Tax I.D. number. If you do not have one or are developing a new chapter of Phi Delta Theta you must apply through the IRS. You can follow this link to apply for a number (www.irs.gov/pub/irs-pdf/fss4.pdf).

Liabilities of Undergraduate Chapters

You will be interested to know most corporations and associations are required to pay Federal Income Tax. Such organizations as college fraternities, which operate on a nonprofit basis, have been exempted from the payment of Federal Income Taxes. However, it is important to note that your chapter may be liable for a state or local tax and you will need to check with the appropriate department of the Internal Revenue Service for this information.

Each chapter must have an identification number. This number is used on all federal forms including the payroll tax forms. You may wish to apply for this number through your District Director of Internal Revenue. Ask for Form SS-4. Whenever payment of wages to an employee is concerned, you must enter the withholding of Income Tax and Social Security Tax on your payment checks. Chapter’s which have a payroll must determine through their payroll journals and employee’s earnings record how much is owed the Federal Internal Revenue Service.

One Note of Caution...

Should penalties occur for late submittal of the appropriate forms, please see a qualified tax expert to see if these penalties may be waived. Often times if a chapter is showing “good intent” in sending

the information in and cooperating with the IRS, the IRS will drop these late charges. Please check with your house corporation members to make sure all forms have been completed and all withholdings made accordingly. The General Fraternity will not pay penalty fees on behalf of the Chapter.

SECTION V

PAYING YOUR BILLS

Prioritizing payment of accounts (accounts payable, your bills) is an important aspect of the treasurer's role. Businesses often do not understand the way a fraternity chapter operates, and will judge the chapter on its past payment history. It is important to maintain a clean payment record with these businesses. Your actions will affect future options of the chapter.

Do This First!

Balance your checkbook before making your monthly payments. You need an accurate bank balance, *including outstanding checks*, in order to make accurate judgment on the ability of the chapter to pay its bills. Set aside a specific time and day in each month to pay the chapter bills, balance the chapter checkbook and complete any necessary paperwork.

Then...

If the chapter is unable to pay all its bills, contact the businesses you are unable to pay. Often time's businesses will be happy to work out structured payment plans or work with the chapter to meet their obligations. Once again, the relationship you have with the businesses in your area will be inherited by the future treasurers of your chapter. It is important to work to maintain positive relationship.

Prioritize Your Accounts Payable

These Priorities should be:

1. Phi Delta Theta General Headquarters
2. Your local house corporation or other landlord
3. Your University or IFC
4. Utilities, such as phone or cable
5. Recruitment events
6. Social Event

SECTION VI

COLLECTION OF ACCOUNTS

There are several measures the treasurer can take at the beginning of the school year to minimize financial delinquencies. The first step is to send a letter to the parents of the members and Phikeia to introduce yourself and outline their son's financial obligations. This should be sent out prior to the start of the school year. Make sure each member receives a copy. Should the potential member decide to join after the school year, this letter should be sent out immediately after the induction ceremony.

Steps to Financial Success

First, follow the various steps for success outlined in the Accounting Procedures section of this manual. Below are additional resources and outlets to assist in reinforcing the collection of

monies from Chapter members and Phikeias.

Room and Board Contracts

For chapters that have difficulty with the collection of accounts or men moving out of the house during the school year, a Housing Contract may be a big help in overcoming these difficulties. If a decision is made to use the contract, make sure it is designed prior to the termination of school the previous year, and could be sent out with the letter to the parents.

Note Agreements

In many states, a pre-signed note in place of a Housing Contract could be more beneficial. The note is therefore generally easier and less expensive to enforce.

Set Collection Policies in Chapter Bylaws

All too often the success and burden of the collection of accounts rests on a sole person – the treasurer. Many times this burden becomes too large for one man. To help ease the burden, and at the same time ensure financial success, it is advised that a step-by-step approach to the collection and prevention of overdue accounts be adopted and placed in the chapter bylaws. Having done this, any member has the right to insist on enforcement.

It's never easy to hold your Brothers accountable, but this is one of their responsibilities of being a contributing member of the Chapter. *It's not your fault they have not paid their bills.*

If the problem persists, billing services can be very useful. Billing services such as Omega Financial (www.omegafi.com) or Greek Bill (www.greekbill.com) can do the billing as well as collecting for the chapter at a nominal or per man charge. Chapter brothers will be billed according to chapter specifications and will submit payment to the billing service. The service will then deposit the money into the bank account specified.

See the Steps for Collection handout in the Appendix for more information.

TREASURER'S RESOURCE

GUIDE

APPENDIX

THE ANNUAL BUDGET

The first step in successful management of any business is the development of a satisfactory and workable budget. If a budget is properly developed and strictly adhered to, it will serve to ensure to financial stability of the chapter for the fiscal year.

Before a chapter treasurer can begin to plan a budget, many questions must be answered. The following section is designed to answer these questions. Feel free to contact General Headquarters at 513.523.6345 for further information.

What is a budget?

Simply stated, a budget is an estimate. In this case, the chapter is estimating the income and expenses of the chapter in three different departments: chapter operations, and commissary operations. It is important to realize that with more data gathering, research, task delegation, and planning, and adequate estimate becomes a solid estimate. Utilize the previous year's checkbook, collections records and budget, if available, to judge what the chapter's income and expenditures will be. A better estimate means less surprise bills and financial problems over the course of the year.

How do I prepare a budget?

1. Set a timetable for the entire process, including committee meetings and deadlines. Completing a budget is essential in the operation of the chapter and could be completed prior to the start of the school year or, at the very latest, the first two weeks of classes.
2. The finance committee is in charge of creating the budget.
3. Well before the budget meeting, ask members responsible for the different areas of the budget to prepare and submit a budget request to meet anticipated expenses, justifying expenditures when necessary.
4. Make decisions on different areas based on the previous fiscal year's expenses, member budget requests, and expected percentage cost increases over the coming fiscal year. Keep in mind major repair expenses and your chapter house improvement goals.
5. If proposed expenditures are greater than proposed income, first check if any area can truthfully be cut, such as rent, utilities, building fund, taxes, etc. Reductions can come from social, recruitment, and perhaps food operations. If reductions cannot be made, or if the chapter is not willing to decrease its style of living, then the other alternative is an increase in chapters dues or an increase in membership.
6. Enter the final budget into the computer on your budget form.
7. In addition, include an emergency fund in the budget to cover unforeseen expenses.
8. Always overestimate expenses and underestimate income.

How do I revise my budget?

Remember, a budget is an estimate. If you find line items going slightly over or under budget then everything is working normal. However, if you do incur a major expense that was not accounted for in the budget, and that expenditure has a substantial impact on the yearly budget, then a revision is necessary. You may also need to reconstruct the budget if an important line item is missed or created during the year. Don't be afraid to make revisions.

Lastly, as a practical rule, if the difference between the budget and actual amount is greater than 10% of total income, then a revision should be made. However, chapters with smaller budgets might consider a 5% difference as "substantial." On the other side of the coin, chapters with extremely large budgets also might consider 5% to be "substantial."

Things to keep in mind when budgeting...

1. Leadership Conference and Convention Assessments
 - a. Each chapter is required to pay \$350.00 twice each year (\$700.00/year). These payments are due on October 15 and April 15.
2. Liability Insurance Premium
 - a. Your insurance bill is due October 1, budget accordingly

THE FINANCE COMMITTEE

What it is...

Another invaluable aid to the treasurer is the finance committee. As outlined in Section 128 of *The Code*, each chapter is to have such a task force to help you in your work.

What it does...

This action group gives more brothers a say in the decision-making process. The finance committee should help in the creation of the budget as well as have say in any changes to the budget over the course of the semester.

They should also review requests from officers and brothers for budget extensions. Since the Finance Committee should have a good understanding of the chapter's finances, the referral of an investigation or the tabling of a motion to this committee should result in an intelligent recommendation to the chapter.

How to Create One...

Provisions for appointing Finance Committee members should be outlined in your Chapter bylaws, as well as guidelines and expectations for:

- How often the committee meets
- Decisions they have the power to make

- Responsibilities of committee membership

HOW TO GET THINGS DONE:

TECHNIQUES FOR THE TREASURER

1. **Organization is the key.** Stay organized and keep on top of things. Plan enough time to do the work that needs to be done.
2. **Use a Spreadsheet.** Every chapter's records should be tracked using *Microsoft Excel*, *Google Docs*, or some other spreadsheet program. For those more advanced or with larger budgets, programs like *Quicken* or *QuickBooks* are recommended.
3. **Utilize OmegaFi billing cycles.** OmegaFi has a proven system of collecting a higher percentage of dues. The billing cycles will help you keep track of who owes money and will allow you to take further action against a brother if they do not pay.
4. **Do not fall behind with updates and records.** Update financial records and file away bills every day. When someone gives you a check, take care of it immediately. It is much easier to stay ahead of the game than playing having to play catch up.
5. **Get a system going.** You should update records and take care of payments daily; deposit money at the bank and prepare a financial report for the chapter weekly; and pay bills and make adjustments to the budget monthly. A regular monthly treasury routine also makes it easy for the chapter to get on a regular routine of paying their bills on time, etc.
6. **Do not be the bank.** Do not get in the habit of giving people extensions on their payment due date. The chapter has to survive and it is their obligation as a brother to makes their payments on time. Under no circumstances should you be lending money to brothers.
7. **Share financial records with the brothers.** Announce the chapter accounts receivables on a month or even a weekly basis. How much money is owed to the chapter? Post the chapter budget in the chapter room or appropriate location for review so all brothers can see where their dues are spent.
8. **Delegate anything you can.** The treasurer's position is probably most the most straight forward. However it requires the most paperwork. Have someone help update payment records or deposit money at the bank.
9. **Continually evaluate your budget.** Some situation may arise that cause changes in the original budget. Be sure to adjust line items appropriately to maintain the balance between expenditures and income. **Do not overspend.**
10. **If you have any questions get help.** The Greek Advisor, Financial Advisor, Chapter Advisory

Board Chairman, Province President, Leadership Consultant, Professor, House Director, Parents, etc.

11. **Get Help.** Seek the help of a tax professional to prepare the chapter's tax return, the e-Postcard (Form 990-N), and apply for Federal Tax I.D. on Form SS-4.

STEPS FOR COLLECTION

The first step for collection of unpaid accounts should be applied to those members or Phikeia who have just recently become delinquent in their accounts. Along with the bylaws policies discussed in the last section, a number of methods are used to collect monies past due.

1. **Section 155 of The Code:**

155. Cause for Discipline. An active member of the chapter may be disciplined by the chapter for any one or more of the following causes:

(a) financial delinquency;

(b) violation of The Bond, Constitution or General Statutes of the Fraternity;

(c) conduct unworthy of a member of Phi Delta Theta. (1982)

Review this very important section and how it relates to financial delinquency. Many times a member will come up with good reasons why he failed to pay his bill. This does not excuse him from his responsibility to the chapter. Anyone who is delinquent should be considered for separation from membership.

2. **Posting:** A very useful tool is peer-group pressure. Post a list of unpaid members with amounts due on the bulletin board. Then show the members who regularly pay on time how those who do not pay keep the chapter from having new furnishing or cause cancellation of a social event due to lack of funds.

3. **Withhold social privileges.** Members who are extensively past due should be placed on social probation until they are paid up.

4. **Fines:** A policy might be set up where the member is fined \$10 or 10% of his unpaid balance, whichever is less, when his account becomes overdue. This can be looked at as a finance charge, and is a common business practice. If fines are used, be sure to enforce them. Your chapter judicial board may be able to assist you in this endeavor.

5. **Collection Letters:** A further step of a set of collection letters for the members who no longer live in the house or are active in the chapter.

6. **Collection Agency:** If the collection letters fail to produce any action, then it is time to send the

accounts to a collection agency and or take court action

COMMUNICATING FINANCIAL OBLIGATIONS

TO THE CHAPTER

Most chapters run into problems because their members truly do not know what their financial obligations are. Make sure everyone is properly informed on the collection policies and charges of the chapter.

Membership Awareness

The first plan in working for a sound financial base is to:

1. **Send an email before each semester** to the brothers reviewing the anticipated budget.
2. **Explain the budget** to the members in detail. By doing this, the treasurer can show exactly where the money is going, and how the dues and house bills are used.
3. **Express to members their financial responsibility** to the Fraternity and the chapter. If you use Vault from OmegaFi, make sure each brother has his log-in information. It should be emphasized that bills that go unpaid are a burden to every member and Phikeia and they must share that burden, by paying their bills on time.

Inform Potential Members

The second phase in the making of a sound financial chapter is to truthfully inform potential members of the expense for which a member and Phikeia are responsible.

The treasurer and all members must inform the potential members of the fiscal policies. Provide a financial obligations fact sheet for potential members during recruitment. Failure to do this will lead to a loss in chapter income, an increase in accounts receivable, and in the end, neither the Phikeia nor the chapter will benefit.

Chapter Meetings

At every chapter meeting, the treasurer should give a complete report on the present financial standing of the chapter as well as new funds or projects considered. Prior to chapter meeting, the treasurer should send out the updated budget to each member to review. Each report should include:

- the condition of the budget (expenditures and balances) in pertinent areas
- approximate total of accounts payable, and a listing of any overdue alumnus
- active and Phikeia accounts receivable and what is being done to collect those accounts.

A monthly review of total assets (money coming in) should be broken down, displayed and read. This should include balances in the checking account(s), building fund, philanthropy fund, etc.

Collection of Accounts

The treasurer must be firm and consistent in his policies. The proper use of peer accountability and the Chapter Advisory Board Chairman will be instrumental in the collection of delinquent accounts. A rule to remember is to divorce “brotherhood” from the financial operation.

The chapter’s financial operations are just as much a business as any profit-making concern. The necessity of prompt payment is brought to closer focus when one understands the collector is in fact a not for profit organization.

YOU CANNOT PAY YOUR BILLS WITH “BROTHERHOOD.”

If the brotherhood argument persists, it can be said a man is a “true brother” only when he makes good on all responsibilities, including his financial responsibility. Carrying one’s share of the load is also encompassed in the “brotherhood” definition.

A man’s initiation and signature to *The Bond* Phi Delta Theta serves as a pledge to honor his fraternal obligation and responsibilities.

ABOUT VAULT FROM OMEGAFI

As one of three all-inclusive financial, fundraising and communications productivity tools for fraternal organizations far and wide, Vault enables unmatched operational efficiency across chapter and alumni constituencies.

Vault is your treasurer’s and fellow officers’ go-to site for chapter and alumni management — his or her springboard to a storehouse of knowledge about your members and the community as a whole. It is your organization’s money chest and command center...and more. This comprehensive suite of eight services puts you at ease and in control of your finances and

overall operations like never before. Use Vault to simplify billing and collection of dues and rent, increase annual giving, easily manage rosters, quickly pay bills and employees and file tax returns without the headache and in no time.

When it's time to pass the leadership baton, OmegaFi is there to assist you in making that transition without skipping a beat. Yeah, you'd like to think your chapter will miss you, and they probably will, but with Vault, the annual changing of roles — whether with treasurers, alumni relations' officers or webmasters — is that seamless.

For more information, contact sales@omegafi.com, or for Vault assistance, contact your OmegaFi services representative.