Financial Operations Procedures

ALPHA DELTA CHI OMEGA

A. PURPOSE

The purpose of the Financial Operating Procedures is to set forth the Chapter procedures and guidelines for collecting and disbursing funds and delineate all members' financial responsibilities. These procedures supplement any existing guidelines of Alpha Kappa Alpha Sorority, Incorporated.

B. AUTHORITIES

This Chapter document should be used in conjunction with the following documents: Alpha Kappa Alpha Constitution and Bylaws; Alpha Kappa Alpha Manual of Standard Procedure; Financial Operations Resource Guide; Financial Officer Certification Manual; and the Chapter Bylaws.

This chapter shall operate within the same fiscal year as Alpha Kappa Alpha Sorority, Incorporated. The fiscal year begins January 1st and ends December 31st of each year.

The Surety Bond will cover the following Chapter Officers - President, Vice President, Treasurer, Assistant Treasurer, Financial Secretary, Recording Secretary, and Corresponding Secretary.

C. BANK ACCOUNTS

The chapter shall keep all funds raised from the community in an account separate from funds for chapter operations. The chapter maintains an operations account, savings account, and a community programming account.

Functionality of Bank Accounts

<u>Operations Account</u>

Anticipated income within the operations account includes chapter dues, chapter assessments, internal chapter events, and/or initiation fees and charges. The operations account shall also fund the operations of the chapter which includes the following:

- Payments to Corporate office (Chapter tax, per capita, late fees, reactivation fees, COIP)
- General Operating Expenses (supplies,postage,officers' and committee expenses, bonding insurance, technology expenses)
- Delegates' conference attendance (Boule/Regional Conference)
- Internal Chapter Activities-Membership events, Sisterly Relations events
- Contingencies

Community Programming Account

Funds raised from the community will be used to benefit Alpha Kappa Alpha's program initiatives through programming events, community service projects, scholarships and/or other charitable giving. The community programming account includes the following

- Contribution/Donations from the community
- Monies raised from community programs and activities

D. RECEIVING FUNDS PROCEDURE

The collection of funds involves the receipt of funds through cash, checks, returned checks or electronic payments. The general procedure for collecting funds within the chapter are as follows:

- No post-dated checks will be accepted
- The Tamiouchos does not receipt funds for any purpose.
- There shall be no collections of funds by anyone in the chapter except the Pecunious Grammateus. In the absence of the Pecunious Grammateus, a bonded officer can receive the funds.
- Deadlines for receipt of funds for any chapter or community programming event must be established and adhered to.

Electronic Payments

- Payments may be used to receive funds through electronic processing systems such as, but not limited to Zelle or an approved and vetted ticketing platform (ex: Eventbrite or Zeffy)
- In the case of a special event, the Pecunious Grammateus will be responsible for setting up the process to receive funds whether it is from sorors or non-sorors.
- Any fees associated with submitting an electronic payment will be included on the invoice and becomes the responsibility of the soror/non-soror submitting the payment.

Returned checks

- Returned check charges assessed for each returned check made to the chapter will be charged back to the originator of the check. A returned check fee will be charged for all checks returned by a financial institution. The fee charged will be identical to the fee charged by the financial institution returning the check. The amount of the returned check, plus related bank fees should be reflected in the monthly reports provided to the chapter by the Tamiouchos.
- The check's face value should be recorded as negative income in the monthly report of the Pecunious Grammateus.
- Repayments should be given to the Pecunious Grammateus and reflected in the monthly report as payment for a returned check.
- Personal checks will no longer be accepted from a soror who has had one returned check in a calendar year.
- All checks that a soror submits on behalf of a non-member must indicate the soror's name delivering the check and the event/activity on the memo line of the check.

Returned checks from non chapter members will follow the same collection process as chapter members by the Pecunious Grammateus.

E. DISBURSEMENT OF FUNDS PROCEDURE

All disbursements of funds shall depend upon a completed voucher (electronic or paper), and the required documentation. The Basileus and Tamiochous should sign all reimbursement checks and vouchers, except for their own.

All payment requests should be accompanied with the following:

- The committee's name, committee chair, the event/activity with date and the account/line item from which the reimbursement will be drawn.
- A wet signature for paper vouchers, or an e-signature that is from an authorized electronic platform approved by Alpha Kappa Alpha Sorority, Inc.
- Voucher expenses must align with a line item in the current budget.
- All receipts, invoices and appropriate documentation. Receipts should not be commingled with personal purchases.
- A signature from the Basileus, Tamiouchos and Committee Chair (if applicable).
- Checks should be cashed within 120 days of receipt or they will be voided.
- Vouchers received after the previous year end will not be honored, unless the voucher is for an event held the last week of December as receipts must be submitted and closed out no later than January 10th.

Payment Reimbursement Restrictions

- The Basileus nor Tamiochous should sign their own vouchers or checks when they are requesting funds. In these cases, the voucher and check should be signed by

another bonded officer (Anti-Basileus or the Grammateus).
- Payments cannot be given to another soror to give to the requesting soror. Payments will only be given directly to the requestor.
- Payment disbursements cannot be processed for items that are not accounted for in a line item within the budget.
- Reimbursements cannot be processed if the request is submitted more than 30 days after the event took place. Exceptions may be made with approval for extenuating circumstances . The Tamiouchos and/or Basileus should be sent an email with the reason for the late voucher. Extenuating circumstances will be determined by the Bylaws committee.
- Reimbursements cannot occur without a voucher, receipt, invoice or appropriate signatures.
- Sorors will be restricted to in-person disbursements until the sorors' outstanding check reimbursement receipt forms are submitted to ensure all check reimbursement confirmation forms are completed.

F. RESPONSIBILITIES OF OFFICERS & COMMITTEE CHAIRMEN

All officers and committee chairmen (current and outgoing) shall prepare a proposed budget detailing any expenses, planned activities, events or programs. This should include any anticipated expenses needed to perform responsibilities and/or anticipated income.

- The chairman has the ultimate responsibility for ensuring a record of all income and expenses is maintained for each event.
- The committee chairmen will sign all vouchers for reimbursement or payment then submit them to the Tamiouchos and Basileus for approval through the voucher reimbursement process.
- Budget requests must be submitted to the Chairman of the Budget and Finance Committee in the month of September to have a line item in the budget for the following year. All budgets are subject to review by the Budget and Finance Committee. If no budget is submitted, the Budget and Finance Committee can recommend an amount.
- Within thirty (30) days of an event, the committee chairman must submit financial accounting of all funds (income and expenses—paid and unpaid), including all outstanding vouchers.

G. RESPONSIBILITIES OF SORORS

General Financial Obligations and Responsibilities:

- All Chapter dues should be paid no later than the December Chapter Meeting to remain an active member in the chapter. After this date, sorors shall incur a late fee of $25 from the chapter, in addition to any corporate late fees that may apply.
- All chapter assessments must be voted on and approved by the chapter.
- Chapter assessments are due at the designated date agreed upon by the Pecunious

Grammateus and the Event/Committee Chair. If not paid by the date given, a soror may incur an assessment late fee of $25.

- All chapter dues and assessments can be paid using the following methods:
  - In-person to the Pecunious Grammateus via cash, check or money order.
  - Mail a check or money order to the Chapter P.O. Box.
  - Electronic payment through Zeffy, Zelle or an electronic payment platform approved by Alpha Kappa Alpha Sorority, Inc.
  - The soror will not be considered an active member within the chapter until all financial obligations are paid in full.
  - Payment installations for dues may be accepted for the upcoming fiscal year by making a request to the Pecunious Grammateus. However, the soror cannot pay in advance for the next year until the current year's financial obligations have been met.

H. CHAPTER BUDGET

The Tamiouchos shall serve as the Budget and Finance committee chairman while the Pecunious Grammateus serves as the Budget and Finance committee co-chairman. The Budget and Finance Committee will prepare two separate budgets: one for Chapter Operations and another for Community Programming.

- **Chapter Operations budget**
  - Funds all expenses of the chapter operations.
  - All committee/officer budget requests are due to the Tamiouchos by the September Chapter Meeting.
  - The Budget and Finance Committee shall develop an annual budget based on the projected needs of the chapter. It may reflect any recommendations or requests of the various officers and committees of the chapter.
  - The 1st budget reading will occur in October, the 2nd reading in November, followed by the final vote.
- **Community Programming Budget**
  - Provides funds to support Alpha Kappa Alpha's programming initiatives and chapter programs that benefit the general community. Under the leadership of the Anti-Basileus/Program Chair, the program sub-committee chairs should determine its program activities for the year to establish the budget for implementing targeted programs.
  - The 1st budget reading will occur in October, the 2nd reading in November, followed by the final vote.

The contingency line is used for unanticipated expenses. No request for use of contingency funds can exceed 50% of contingency funds. Disbursements from this account must be recommended by an officer or committee chair to the Budget and Finance Committee, then brought before the Chapter for a final vote.

I. BUDGET CONTROLS

- Monies/Funds can be spent for budgeted items only if collected and on hand. Approval of the chapter budget does not necessarily imply that funds are available at the time of the request. Before making an expenditure, the Tamiouchos will advise the Chapter on available funds.
- Once the chapter has adopted the budget, sorors should not be asked to vote again to authorize expenditures for specific items. Such action should occur only when funds are insufficient, and it becomes necessary for the chapter to decide what expenditures it can afford to make, or if there are changed circumstances to the extent that expenditures for a specific purpose require reconsideration.
- Funds remaining in the chapter checking account(s) at the end of the year may be carried over into contingency or reprogrammed to the following year unless the chapter makes a decision to reallocate these funds into another line item.
- The budget from the previous calendar year shall be closed out by January 31st of the next calendar year.

J. TECHNOLOGY CONTROLS

The financial officers of this chapter/group work in collaboration with the Technology Chair for administrative support in developing electronic processes for submitting vouchers and utilizing electronic signatures. All electronic platforms being used are authorized for use by Alpha Kappa Alpha Sorority, Inc.

Accounting Software
At the discretion of the financial officers, an accounting software, such as QuickBooks online can be used to record financial transactions. Such adoption shall be notified to the Chapter.

Banking Online
The Treasurer may use an online paying feature approved by Alpha Kappa Alpha Sorority (i.e. ACH) to set up standard or recurring payments for the chapter.

Prepaid Debit Cards
A prepaid debit card can be used if the chapter has already authorized a specific amount of funds. In these cases, a soror submits an invoice to the Tamiouchos, then a prepaid debit card is issued to the soror for the exact amount on the invoice. After the payment is made, the soror must return the receipt of purchase and the prepaid debit card to the Tamiouchos for her financial records.

Zelle and Zeffy
The chapter will accept payments through Zelle and Zeffy, being that it is an authorized electronic platform through Alpha Kappa Alpha Sorority for receiving payments.

Financial Information via Website/Email

All chapter financial information posted on the website will be password protected.

K. Taxes

Unrelated business income tax is based upon income received from non-sorors. The Alpha Kappa Alpha Corporate offices assess a tax at minimum of 30% based on information from the end of the year report. Corporate pays the tax and will invoice the chapter.

Funds from Non-Sorors

Funds from non-sorors for which there is no philanthropic expenditure is considered unrelated business income (i.e., ticket sales, sponsorships and donations from non-sorors). Whenever these types of funds are received, they are subject to tax and are a part of the end of the year reporting. Funds received from non-sorors should be recorded separately from funds received from sorors and reported separately on the end of the year report.

Funds from Sorors

Funds received from sorors, including sorors who are non-chapter members for ticket sales or other fundraising projects, are not unrelated business income and are not subject to tax.

Important Financial Dates

December Chapter Meeting - Dues for next year due
December 31- Financial Year End
January 10 - Last day to submit previous year’s vouchers
February 1 - Dues paid to corporate after February 1st will incur corporate late fee