Alpha Kappa Alpha Sorority, Incorporated®

Alpha Delta Chi Omega

Financial Operations Procedures

A. PURPOSE

The purpose of the Financial Operating Procedures is to set forth the Chapter/Group 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/Group 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/Group Bylaws.

This chapter/group 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.

C. BANK ACCOUNTS

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

- Functionality of Bank Accounts
  - Operations Account: Anticipated *income* within the operations account includes chapter dues, chapter assessments, special fundraising projects or initiation fees and charges. The operations account shall also *fund* the operations of the chapter which includes the following:
    - Payment 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 Account(Fundraising): Funds raised from the community will be used to benefit the community through community service projects, scholarships or other charitable giving. The community account includes the following
    - Contribution/Donations to the community
    - Monies raised from fundraising activities
  - Savings Account: The savings account shall consist of fundraising

donations/contributions, or ticket sales from all members of Alpha Kappa Alpha Sorority.

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/group are as follows:

- No post-dated checks will be accepted
- The Tamiouchos/Treasurer does not receipt funds for any purpose.
- There shall be no collections of funds by anyone in the chapter/group except the Pecunious Grammateus/Financial Secretary. In the absence of the Pecunious Grammateus/Financial Secretary, a bonded officer can receive the funds.
- Deadlines for receipt of funds for any chapter/group or community 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 PayPal, Zelle or an approved and vetted ticketing platform (ex: Eventbrite or Zeffy)
- In the case of a special event, the Pecunious Grammateus/Financial Secretary 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 the responsibility of the soror/non-soror submitting the payment.

Returned checks

- Returned check charges assessed for each returned item made to the chapter/group 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/group by the Tamiouchos/Treasurer.
- The check's face value should be recorded as negative income in the monthly report of the Pecunious Grammateus/Financial Secretary.
- Repayments should be given to the Pecunious Grammateus/Financial Secretary and reflected on her 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.

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- Returned checks from non chapter members will follow the same collection process as chapter/group members by the Pecunious Grammateus/Financial Secretary.

E. DISBURSEMENT OF FUNDS PROCEDURE

All disbursement of funds shall depend upon a completed voucher (electronic or paper), and the required documentation. The Basileus (President) and Tamiochous (Treasurer) 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 by Alpha Kappa Alpha Sorority, Inc.
- All receipts, invoices and appropriate documentation. Receipts should not be commingled with personal purchases.
- A signature from the Basileus (President), Tamiouchos (Treasurer) 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.

Payment Reimbursement Exclusions:

- The Basileus (President) nor Tamiochous (Treasurer) should sign their own voucher when they are requesting funds. In these cases, the voucher and check should be signed by another bonded officer (Anti-Basileus/Vice President or the Grammateus/Secretary).
- 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 from the Basileus/President when the Group/Chapter does not meet.
- Reimbursements cannot occur without a voucher, receipt, invoice or appropriate signatures.

F. RESPONSIBILITIES OF OFFICER & COMMITTEE CHAIRMAN

All officers and committee chairman (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 (Treasurer) & Basileus (President) for approval.
- 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. If no budget is submitted, it will be subject to review by the Budget and Finance Committee, in which they will 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/general member dues are due by December 31st to remain an active member in the chapter/group. After this date, sorors shall incur a late fee of $25 from the chapter/group, in addition to any corporate fees that may apply.
- All chapter/group assessments must be voted on and approved by the chapter/group.
- Chapter/Group assessments are due at the designated date agreed upon by the Pecunious Grammateus (Financial Secretary) and the Event/Committee Chair. If not paid by the date given, a soror may incur an assessment late fee of $25.
- All chapter/group assessments must be paid in full by December 31st to remain active in the chapter/group. Any chapter/group assessment paid after December 31st may result in a $25 chapter/group assessment late fee, $25 dues late fee, in addition to any corporate fees that may apply.
- All chapter/group dues and assessments can be paid using the following methods:
  - In-person to the Pecunious Grammateus (Financial Secretary) via cash, check or money order.
  - Mail a check or money order to the Chapter/Group's P.O. Box
  - Electronic payment through PayPal or Zelle.
  - Payment installations for dues may be accepted (for the current or following year) by making a request to the Pecunious Grammateus (Financial Secretary). However, the soror cannot pay in advance for the next year until the current year's financial obligations have been met. The soror will not be considered an active member within the chapter/group until all financial obligations are paid in full.

- Sorors must submit vouchers within thirty (30) days of an event unless extenuating circumstances exist. After 30 days, vouchers may not be honored.

H. CHAPTER/GROUP BUDGET

The Tamiouchos (Treasurer)shall serve as the budget and finance committee chairman while the Pecunious Grammateus (Financial Secretary) serves as the finance committee co-chairman. The Budget and Finance Committee will prepare two separate budgets: one for Chapter/Group Operations and another for Community/Fundraising.

- Chapter/Group Operations budget - Funds all expenses of the chapter/group. The Budget and Finance Committee shall develop an annual budget based on the projected needs of the chapter/group. It may reflect any recommendations or requests of the various officers and committees of the chapter/group. The proposed operations budget shall be presented to the chapter/group for the 1st reading at the September meeting, the 2nd reading at the October meeting, and voted on at the November meeting.

- Community budget (Fundraising) – Provides funds to support scholarships, community projects organizations, and chapter/group programs that benefit the general community. Under the leadership of the Anti Basileus(Vice President)/Program Chair, the program sub-committee chairs should determine its program activities for the year to establish the budget for implementing targeted programs. The proposed community budget shall be presented to the chapter/group for the 1st reading at the September meeting, the 2nd reading at the October meeting, and voted on at the November meeting.

The contingency line is used for emergency purposes (expenses not anticipated or documented in the budget). Disbursements from this account must be recommended by the Budget and Finance Committee and approved by the Executive Committee.

I. BUDGET CONTROLS

- Money can be spent for budgeted items only if collected and on hand. Approval of the chapter/group budget does not necessarily imply that funds are available because all sorors may not have paid dues in full or in advance. Before making an expenditure, the Tamiouchos (Treasurer) will advise the Executive Committee on available funds.
- Once the chapter/group 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 short, and it becomes necessary for the chapter/group 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.
- Committee or Committee Chairmen requesting payment over $400 require a vote from the chapter/group.
- Funds remaining in the chapter/group checking account(s) at the end of the

year may be carried over into contingency or reprogrammed to the following year.

- The budget from the previous calendar year shall be closed out by *January 31st.*

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/Group.

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/group has already authorized a specific amount of funds. In these cases, a soror submits an invoice to the Treasurer, 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 Tamiochous (Treasurer) for her financial records.

Financial Information via Website/Email

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

PayPal

- The group/chapter will accept payments through PayPal by including a fee for using this method of payment.
- The Treasurer will be responsible for transferring funds from PayPal into the bank account weekly after receiving the Transmittal Funds Report from the Financial Secretary

Zelle

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

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.