

ALUMNI & VOLUNTEER CORPORATION TREASURER

As Alumni and Volunteer Corporation (AVC) Treasurer, you are responsible for all financial transactions and records of the corporation. Ensuring the financial management of the chapter facility, you and your cabinet monitor the undergraduate chapter's financial operations by working closely with the undergraduate Vice President of Finance.

RESPONSIBILITIES

- Ensure Alumni and Volunteer Corporation and chapter financial stability while planning for future needs.
- Conduct a yearly audit of the Alumni and Volunteer Corporation finances and chapter finances.
- Ensure proper paperwork is filed with Headquarters and IRS for both chapter and Alumni & Volunteer Corporation.
- Supervise budgets of capital improvements and special projects.

CABINET

Budget Chair

- Collect and disburse funds as directed by the AVC Treasurer.
- Collect damage deposits from all facility occupants.
- Manage financial paperwork and meet filing deadlines as required.
- Prepare an annual budget for alumni operations.
- Save 5% of revenue annually (for unhoused chapters).
- Save 3% of property value annually (for housed chapters).
- Ensure that undergraduate chapter saves 5% of revenue annually.

Agreements Chair

- Collect nine (9) month leases from all facility occupants.
- Collect membership agreements from all undergraduate members.
- Ensure the chapter property is full. Utilize the following mechanisms:
 - Nine-month Lease Agreements
 - Membership Agreements (require members to live in the facility)
 - Chapter and AVC Bylaws (require members to live in the facility)
 - A lottery system that allows members to live out, or will draw them back into the facility
 - A pro-rated system that charges non-tenant members additional dues to compensate for lost revenue if the facility is not full.

Chapter Financial Liaison

- Audit chapter finances and serve as advisor for the chapter's Vice President of Finance.
- Ensure that chapter pays all Headquarters' billings on time to receive 5% refund.
- Ensure the chapter submits membership forms and fees on time.

GETTING STARTED

In order to start on the right foot, it is important that you have an effective transition with your predecessor. You need to have him walk you through his bookkeeping methods to ensure you understand them. If possible, try to structure your methods in a similar manner. If you have computer access and records are not already on a computerized system such as Quicken, your transition provides the perfect opportunity to do so. Contact the undergraduate Vice President of Finance and go through the following items to begin your term:

- Set up a transition meeting with the outgoing AVC Treasurer.
- Contact the undergraduate Vice President of Finance and set up a personal meeting. Use this time to run through all record keeping procedures. Ensure that you understand all of his duties.
- Go to the bank and place your name and the AVC President's name on the signature card. The previous AVC President and AVC Treasurer will have to go with you in order to remove his name from the account.
- Appoint your cabinet members. (See previous page.)
- Set up a monthly meeting time for the cabinet. Meet by phone if necessary. This meeting should occur at least a week prior to the regularly scheduled Alumni & Volunteer Corporation meeting so each chairman can report to you for your report during the Alumni & Volunteer Corporation meeting.
- Have a professional audit conducted to ensure there are no questions about the transition of officers.
- Attend the Alumni & Volunteer Corporation retreat and Carlson Leadership Academy.

VITAL SUPPLIES

In order to effectively complete your duties, you will need a/an:

- Receipt Book
- Statement Book
- Checkbook
- Operations notebook for financial records including:
 - Exhibit F — Alumni & Volunteer Corporation Budget
 - Exhibit G — Budget of Operations
 - Exhibit I — Report of Operations
 - Promissory Notes for indebted members

EXHIBIT F

ALUMNI & VOLUNTEER CORPORATION BUDGET OF OPERATIONS

Sigma Phi Epsilon Fraternity

Just as a chapter creates a budget, so should the Alumni & Volunteer Corporation. Many chapter members do not understand the financial commitments of an Alumni & Volunteer Corporation. All members should see expenses such as mortgage, taxes, savings, and property maintenance.

For 20____ through 20____ Session_____	Chapter: _____
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YEARLY BASIS

Rent (if renting)	\$
Reduction of Mortgage	
First	\$
Second	\$
Interest Charges	\$
Building Fund	\$
Taxes - real and property	\$
Insurance	
Property	\$
Personal Liability and Others	\$
Property Maintenance	\$
Contingency Fund	\$

TOTAL NECESSARY FOR ALUMNI & VOLUNTEER CORPORATION	\$
Funds to Alumni & Volunteer Corporation per month (____ school months) \$	

Funds to the Alumni & Volunteer Corporation per month is the amount the chapter pays the Alumni & Volunteer Corporation each month. This will create an operating budget for the Alumni & Volunteer Corporation and will allow the Alumni & Volunteer Corporation to put money into savings, a chapter improvement fund, or similar funds.

Date: _____, 20____	Board Members:
Alumni & Volunteer Corporation President:	
Alumni & Volunteer Corporation Treasurer:	

Upon completion, send a copy to Sigma Phi Epsilon Headquarters.

EXHIBIT G

UNDERGRADUATE CHAPTER BUDGET OF OPERATIONS

REVENUE	Monthly Budget	Yearly Budget (__ Months)
1. Room \$____ for #____ men/month	\$	\$
2. Board \$____ for #____ men/month		
3. Dues \$____ for #____ men/month		
4. Parlor fee \$____ for #____ men/month		
5.		
6.		
7. Other Revenue		
TOTAL REVENUE	\$	\$

EXPENSES	Monthly Budget	Yearly Budget (__ Months)
8. To Alumni & Volunteer Corporation (see Exhibit F)	\$	\$
9. Food (food percentage ____%)		
10. Scholarships:		
Balanced Man Scholarship		
Other		
11. Equipment and Repairs		
12. Gas, Water, Electricity, Telephone		
13. Supplies		
14. Publications, Chapter & Campus		
15. Stationery & Postage		
16. Events		
17. Recruitment		
18. Headquarters Account		
19. Savings		
20.		
21.		
22.		
23.		
24.		
25. Miscellaneous		
TOTAL EXPENSE	\$	\$

NET BALANCE	\$
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Date: _____, 20____	Alumni & Volunteer Corporation Treasurer:
VP of Finance:	

Upon completion, send a copy to Sigma Phi Epsilon Headquarters.

EXHIBIT I
UNDERGRADUATE CHAPTER REPORT OF OPERATIONS

REVENUE	Current Month		Year to Date (Mo.)	
	Budget	Operation	Budget	Operation
1. Room	\$	\$	\$	\$
2. Board				
3. Dues				
4. Parlor Fee				
5.				
6.				
7. Other Revenue				
GROSS REVENUE				
MINUS ACCOUNTS RECEIVABLE (List on Second Page)				
NET REVENUE		\$		\$

EXPENSES				
8. To Alumni & Volunteer Corporation	\$	\$	\$	\$
9. Food (YTD food percentage: ____%)				
10. Scholarships:				
Balanced Man Scholarship				
Other				
11. Equipment & Repairs				
12. Gas, Water, Electricity, Telephone				
13. Supplies				
14. Publications – Chapter & Campus				
15. Stationary & Postage				
16. Events				
17. Recruitment				
18. Headquarters Account				
19. Savings				
20.				
21.				
22. Miscellaneous	\$	\$	\$	\$

TOTAL EXPENSES	\$	\$	\$	\$
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OPERATING GAIN (OR LOSS)	\$	\$
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Accounts Payable (List on second page)	\$
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Date:	Vice President of Finance:
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PROMISSORY NOTE

Date: _____

I fully understand that by signing this contract, I vouch for my indebtedness to Sigma Phi Epsilon, _____ Chapter, for the amount of \$_____.

If I do not pay by _____, I forfeit my right to membership, and the chapter has the right to recourse for collection in the Court of Small Claims. Of these obligations, I am fully aware and sign of my own free will.

Member

Vice President of Finance (Undergraduate)

AVC Treasurer (Alumni)

KEYS TO SUCCESS

Your primary duties are to ensure the Alumni & Volunteer Corporation is financially sound while planning for future needs that may arise. What does that mean? You should run a sound budget, collect all money due from the chapter, manage the chapter facility and save according to SigEp's Strategic Plan.

Some members will ask for preferential treatment regarding their financial situation. As long as you treat individuals fairly and consistently, and follow all policies, you will have no problems.

FINANCIAL STABILITY

- Have a sound budget while saving at least 5% for future needs (non-housed chapter) and 3% of property value (housed chapter).
- Collect all money that is billed.
- Fill the facility. If you do not fill the house, you are automatically removing operating funds from the Alumni & Volunteer Corporation.

STANDARD OPERATING PROCEDURES

- Have a receipt for every penny spent.
- Have deposit slips for every penny received.
- Do not accept cash.
- Use checks for all expenditures.

FINANCIAL OPERATIONS CHECKLIST

- Create budgets and include Grand Chapter charges for annual dues, liability insurance, etc.
- Have all undergraduate members sign membership agreements annually.
- Have all facility occupants sign nine month leases in March for the forthcoming year.
- Collect damage deposits from all facility occupants.
- Enforce lease agreements as any other landlord would.
- Collect one check monthly from the chapter for all moneys owed the Alumni & Volunteer Corporation (i.e. Do not collect individual rent check; collect one check for the total rent due.)
- Ensure that the Vice President of Finance posts a list of delinquent accounts receivable.
- Enforce the 30/60 policy—a member is suspended if 30 days delinquent and expelled if 60 days delinquent according to SigEp's Bylaws.**
- Ensure that the Vice President of Finance fines members for late payment.
- Ensure that the Vice President of Finance fines members for writing checks that bounce.
- Increases dues/rent annually. Budget and bill for a yearly cost-of-living increase.
- Encourage payment in full at the beginning of the year. The chapter may offer a discount for payment in full.
- Fill the house (above break-even capacity) and have leases signed prior to move-in.
- Ensure that all Alumni & Volunteer Corporation committees have budgets.
- Ensure that the chapter has a savings fund. This money can be allocated towards new stereo equipment, furniture, or a new TV.
- File Form 990T with the Internal Revenue Service.
- Complete the Exhibit I each month and send a copy to Headquarters.
- Endow the Balanced Man Scholarship for the chapter.

WORKING WITH THE VICE PRESIDENT OF FINANCE

The chapter's Vice President of Finance is an undergraduate and a member of the chapter executive committee. It is strongly recommended that he be appointed by the Alumni & Volunteer Corporation. This reinforces his ultimate responsibility to the board and will give him the authorization he needs in carrying out his duty to collect revenue from other chapter members.

It is the AVC Treasurer who is responsible for working closely with the Vice President of Finance on chapter finances and being sure that he is following the Fraternity's system of accounting. The Sigma Phi Epsilon accounting system includes the use of Exhibits (or budget formats) that document revenues and expenses for the chapter and Alumni & Volunteer Corporation on a monthly and annual basis. The following are samples of the four exhibits or "budgets" that are used.

- ❑ **Exhibit F**—The Alumni & Volunteer Corporation budget format that is completed each year.
- ❑ **Exhibit G**—The undergraduate chapter budget format that is completed each year.
- ❑ **Exhibit H**—The Vice President of Finance's work sheet that provides detail for budgeted income and expenses on a monthly basis.
- ❑ **Exhibit I**—The Vice President of Finance's work sheet that provides detail for actual income and expenses on a monthly basis.

ADDITIONAL UNDERGRADUATE/ALUMNI GUIDELINES

- The first check the chapter writes each month should go to the Alumni & Volunteer Corporation.
- The chapter should have no petty cash fund.
- The Exhibit G (annual undergraduate budget) is sent to Headquarters by October 15.
- The Exhibit I (monthly report of actual income and expenses) is reviewed at the Alumni & Volunteer Corporation meeting and sent to Headquarters by the 15th of each month.
- For non-Balanced Man Chapters, no member is initiated before his initiation fee is paid.
- A receipt is always obtained for every check written.
- Receipts are given to each member every time he pays a fee to the Vice President of Finance.
- Bank statements are reconciled and the checkbook is updated.
- The Form 990 or 990T is completed and filed with the IRS by November 15 of each year.

The Alumni & Volunteer Corporation is responsible for the proper management of all moneys of the undergraduate chapter. Therefore, the Vice President of Finance should always have receipts or invoices verifying each check written and have deposit slips showing that all money received was deposited. Remember, the chapter has all its money invested in the Vice President of Finance, and you must be assured that he is fulfilling his responsibilities.

When the Vice President of Finance and AVC Treasurer prepare their budgets each year, they should have an idea of how SigEp's costs compare to other fraternities. SigEp must be competitive with the top fraternities on campus and residence life (if the chapter has a facility). That means being above the average in charges to members. Sigma Phi Epsilon should not be the bargain fraternity. Instead, it should be a premium fraternity offering a premium experience. Only by charging fees that are above average will Sigma Phi Epsilon have the resources necessary offer a premium experience.

When the Vice President of Finance is about to step down, it is time to have the AVC Treasurer perform an audit. An audit must be done each year to account for all of the chapter's money. All checks should be accounted for and no checks should be made out to cash. This also helps to make sure that the books are up-to-date and ready for the new Vice President of Finance.

FINANCES AND HEADQUARTERS

MEMBERSHIP FEES

The Grand Chapter sets the amount of new member and brother fees each member must pay. You are responsible for collecting and sending these fees to Headquarters.

- New member forms and fees are due within 48 hours of joining the chapter.
- Brother forms and fees must be mailed the same day as the ritual ceremony.

CHAPTER ACCOUNT

Each chapter has a chapter account at Headquarters. It is your responsibility to ensure the payment of this account. Additionally, all bills will be posted to this account.

Each August, the chapter will be billed:

Annual Dues	\$ 60/man
Chapter Investment Fund	\$ 20/man
Housing Loan Fund	\$ 20/man
Grand Chapter Conclave	\$ 375
Carlson Leadership Academy	\$ 100

Each January, the chapter will be billed:

Liability Insurance
\$75* per man (2001)
\$350 base (covers volunteers)
* <i>this fee changes each year based on the loss experience of chapters</i>

Effective January 1, 1998, all chapters will be held to the following policy by the National Fraternity:

A chapter whose account with Headquarters is thirty (30) days past due shall lose charging privileges to the chapter's Headquarters account, as well as loss of voting privileges at the Grand Chapter Conclave.

A chapter whose account with Headquarters is sixty (60) days past due shall be placed on notice to be closed.

Chapters 120 days past due shall be closed.

Chapters who are delinquent on present accounts shall remain current on their obligations to the Fraternity. Additionally, these chapters shall follow a payment plan agreed upon by the chapter, alumni board, and a representative from the Headquarters staff. Should the chapter lapse on its payment plan, the 30/60 day policy will apply.

Just as the chapter cannot afford to "float" delinquent members, the national Fraternity cannot afford to "float" non-paying chapters. Non-paying chapters decrease the amount of resources available to all chapters.

For the third straight year SigEp has been able to lower the per man liability insurance charge. This is due to our chapters following the "Statement on Chapter and Individual Responsibility" and our risk management guidelines.

GRAND CHAPTER CHARGES

- Annual dues: Supports the Fraternity's operations.
- Chapter Investment Fund Deposit: A chapter's own restricted fund, used for long-term improvements to a chapter facility. It should be treated as a loan.
- Housing Loan Fund: Money disbursed by the National Housing Corporation as loans to Alumni & Volunteer Corporations.
- Grand Chapter Conclave: Covers room, registration, and materials for two members and chapter counselor.
- Carlson Leadership Academy: Covers registration and materials for four undergraduates, a chapter counselor, and a resident scholar.
- Liability Insurance: Provides liability insurance coverage for the chapter and the Alumni & Volunteer Corporation. The cost is determined by the Fraternity's loss record and varies from year to year.

PERIODIC MEMBERSHIP REPORT (PMR)

All per man charges are based on the PMR. This form will arrive in February and should be completed by the president and Vice President of Finance. The PMR is due each year on March 15. It is essential that it be filled out correctly as all the billings will be based off the number of members as stated on the PMR. Once completed, this form cannot be changed. The grand total of all SigEp chapter membership, based on the PMR, is reported to the insurance company for coverage.

The simplest way to complete the PMR is to review the chapter roster and designate a school year (freshman, senior, etc.) next to each member. Cross reference the chapter's roster with the printout sent with the PMR. If an individual is not listed on the printout, add them. Everyone in the chapter must be reported, even the seniors. Seniors are included because anyone recruited the following fall will not be included. The chapter should replace graduating members through recruitment; therefore, the PMR reflects, as accurately as possible, the transitory membership of a chapter.

FILING REPORTS

- Administrative Policies and Procedures*, Section E, Paragraphs 20 and 21:
 20. Each undergraduate chapter shall submit a monthly financial report to the executive officer(s), not later than the 15th of each month during the college or university session, in a form prescribed by the National Board of Directors. For each failure to comply with this requirement, the chapter may be fined a maximum of twenty-five (25) dollars by the National Board of Directors.
 21. Each undergraduate chapter shall provide for an audit of the chapter's receipts and disbursements (including bank reconciliations) within one month after the conclusion of the Vice President of Finance's term of office by a qualified person appointed by the Alumni & Volunteer Corporation and shall have a copy of the audit filed with Headquarters.
- Exhibit G — Chapter Budget of Operations. Send copies to the Alumni & Volunteer Corporation and Headquarters prior to October 15.
- Exhibit I — Monthly Report of Operations. Mail copies to the Alumni & Volunteer Corporation and Headquarters prior to the 15th of each month.

DELINQUENT ACCOUNTS

COLLECTION AGENCY — Headquarters has secured the services of a collection agency to help chapters collect from delinquent members. The name of the company is National Credit Systems. The cost to obtain a collection form is \$20. One form is required for each individual you wish to submit to the agency. Call Headquarters to order or to receive further information, (800) 313-1901.

30/60 POLICY — MEMBERS IN CHAPTERS According to the current undergraduate policy as written in the Grand Chapter's *Administrative Policies and Procedures*, Section 38 & 40:

38. A member whose account (room, board, parlor fees, or dues) with his undergraduate chapter or alumni board is thirty (30) days past due shall be suspended immediately unless a two-thirds vote of the undergraduate members or its alumni board allows an extension.

40. A member whose account (room, board, parlor fees, or dues) with his undergraduate chapter or alumni board is sixty (60) days past due shall be expelled unless a two-thirds vote of the undergraduate members or its alumni board allows an extension.

By enforcing this policy, your chapter will increase the benefits to the members paying on time and will decrease the benefits to members owing the chapter money.

ACCOUNTS RECEIVABLE—COLLECTING FROM ALUMNI

An alumnus will probably not remain involved if he still owes the chapter money. Do not think that if you ask him to pay, he will be offended and stay away from the chapter. Actually, he will not be worth anything to your chapter until he can clear all of his past debts. Do not, then, hesitate to demand payment from these delinquent members. Go on an all-out drive to collect these bills. Discuss all names and the amounts owed at the next chapter meeting and the next Alumni & Volunteer Corporation meeting. The following is a suggested timeline to use with the sample letters that are included. Make sure that you have an accurate address on each of these alumni.

Determine the exact amount owed. Bill these alumni with a regular statement that shows the amount owed and for what dates, and how long the debt has been unpaid. Generally, it is good not to start off with threatening letters, since a new Vice President of Finance or AVC Treasurer cannot be sure these members ever received bills for their debts. If you receive no response after a few weeks, start off with another statement showing the amount owed with letter #1. Make a copy for your Alumni & Volunteer Corporation.

After a few weeks pass and you hear no response, go into the collection letter series full gear. Send these letters at two-week intervals, allowing the member time to respond, but do not let it drag out. The key here is continuity. The members of the Alumni & Volunteer Corporation must stay on top of the letter program.

If you received no reply after sending the first three letters, send the final letter by registered mail—"Return Receipt Requested." This way, you will have documented proof that the individual received your notice. If the member still does not respond, seek legal counsel through the Alumni & Volunteer Corporation, local lawyers, collection agencies, or the school.

LETTER #1

Dear Brother _____:

The books of the _____ Chapter show that you owe the sum of \$_____ for _____ while you were an undergraduate (or in school).

Perhaps you have overlooked this account. Knowing that you have always had an abiding interest in Sigma Phi Epsilon, we are sure that by calling attention to it, you will promptly send a check for the full amount.

The members of the chapter send their regards. Best wishes!

Fraternally,

_____, Alumni & Volunteer Corporation Treasurer
_____ Chapter

LETTER #2

Dear Brother _____:

On _____, we wrote you regarding your unpaid account to _____ Chapter, amounting to \$_____.

As you will undoubtedly agree, the undergraduate chapter should not have the burden of carrying alumni indebtedness.

We would appreciate receiving a check in full by return mail.

Continued best wishes to you.

Fraternally,

_____, Alumni & Volunteer Corporation Treasurer
_____ Chapter

LETTER #3

Dear Brother _____:

On _____ and again on _____, we called your attention to your unpaid account of \$_____ to the _____ Chapter.

We have been disappointed in not receiving your payment. The undergraduate chapter and Alumni & Volunteer Corporation can no longer carry the burden of your indebtedness. The debt is justly yours and should command your immediate attention. Politely, we must insist upon your payment.

We trust you will not force us to take further action which may include turning the account over to a collection agency, seeking legal counsel, and terminating your membership in Sigma Phi Epsilon. Such actions would be not only unpleasant to us, but also will reflect poorly upon your loyalty to the Fraternity.

Kindly give this matter your immediate attention.

Fraternally,

_____, Alumni & Volunteer Corporation Treasurer
_____ Chapter

A WEEK IN THE LIFE OF A... ALUMNI & VOLUNTEER CORPORATION TREASURER

Your duties include much record keeping. It is important to maintain financial records, not only for your personal integrity, but also that of the Alumni & Volunteer Corporation. You should also serve as a mentor to the undergraduate Vice President of Finance.

- Attend the monthly Alumni & Volunteer Corporation meeting:
 - Report on all activity within your cabinet.
 - Review delinquent accounts.
 - Review facility management.
 - Review upcoming dates regarding the 30/60 policy.

- Conduct a monthly cabinet meeting via telephone.
 - Ensure collections are being made.
 - Ensure budgets are being followed.
 - Ensure the facility is managed.
 - Ensure facility problems are addressed.

- Collect receivables.

- Pay outstanding bills.

- Speak with the Vice President of Finance regarding non-paying members.

- Update the Alumni & Volunteer Corporation's checking account.

- Ensure membership fees are collected.

- Ensure proper financial paperwork is filed with the IRS for both the chapter and Alumni & Volunteer Corporation.

- Attend the monthly executive committee meeting.

- Ensure that the Vice President of Finance completes Exhibit I and sends to Headquarters.

WHAT THE EXPERTS SAY

In an ideal world, all members would pay in full and on time. This will not happen. Therefore, it is important for you to have policies and procedures in place to compensate.

Many people believe it is unfraternal or unbrotherly to remove a non-paying member. Actually, it is unfraternal for him not to pay. Why?

- Members paying on time must see the benefit in doing so. If non-paying members can participate in all activities, why should other members pay?
- The Alumni & Volunteer Corporation and chapter must operate on a cash basis. No factor has as much effect on financial stability as the collection of members' accounts. The Alumni & Volunteer Corporation and chapter must have cash in the bank in order to meet its expenses.
- Even a small minority of members that owes money encourages non-payment by the rest of the chapter. This can quickly become a large problem.

There are many methods to ensure prompt dues collection. Some of the most frequent are:

- Make bills due and payable on the first day of each term, a fine (10%) on the 10th day it is late, a letter to parents on the 20th day with a copy of the delinquent bill, suspension on the 30th day, and expulsion after 60 days from the billing date.
 - According to Section E, Paragraphs 38 through 47, of the Grand Chapter *Bylaws and Administrative Policies and Procedures*, the chapter or its Alumni & Volunteer Corporation can carry out suspensions and expulsions for indebtedness. Offering a choice between payment and loss of membership usually works.
- If a member becomes delinquent, see that the Vice President of Finance sends a letter to his parents. Include a copy of the bill and sign the letter from the Alumni & Volunteer Corporation. Outline the problem in the collection of this account in a personal and diplomatic manner.
- Require each member delinquent 30 days or more to attend the Alumni & Volunteer Corporation meeting.
- Use membership agreements to outline the obligations of membership, and leases if the chapter has a facility. Contact Headquarters for additional information.
- A promissory note is the one and only option to avoid suspension and expulsion through the 30/60 policy if a member is not going to pay his bill on time. It is an option the Alumni & Volunteer Corporation may choose which should be reserved only for a valuable member who needs help.