

## Annual Financial Review

An independent accounting review of the chapter's finances for the current fiscal year (July 1-June 30) must be completed annually. The review should occur as close to the end of the current fiscal year as possible, but before the June 1 deadline. The reviewer may be a CPA, a member of the school's accounting faculty, or similar professional.

### **Items to Cover During the Annual Financial Review:**

- Fall/Spring Income Statements and Fall/Spring Balance Sheets
- Bank/School Statements
- Current statements from national Fraternity
- A list of members who owes the chapter dues or other money, how much they owe and the status of collection efforts or reasons for non-payment
- National and Chapter Policies (to insure they are properly being followed)
  - Chapter maintains a checking account in a bank that is federally insured (FDIC or FSLIC) or with the business office of the college or university at which the chapter is located.
  - All checks must be signed by two different people, one of which is the chapter president and the other a different nationally recognized chapter officer, who is not the VP-Finance. (The VP-Finance should also ensure that chapter disbursements are not payable to one of the approvers.)
  - Before approving a disbursement, the two officers should ensure that the disbursement is properly approved (chapter previously approved transaction or was already included in the approved budget) and receipts/invoices have been obtained and filed with the VP-Finance.
  - If the chapter has access to "Electronic Banking" or other electronic means by which funds may be transmitted from a chapter financial account, the password to such account shall be changed upon reelection of officers and shall be known only by the President, VP-Finance, Senior Vice President, and Receiver if applicable. No transfer shall be made from any account electronically without written authorization from both the President and one other nationally recognized chapter officer, who is not the VP-Finance. Such written authorization may be electronic, but must include a description of the payee, the amount of the payment, and the purpose of the payment. Any electronic documentation should be printed and retained in hard-copy format as part of the chapter's financial records.
  - If the chapter maintains a PayPal account (or similar online payment service account), it shall be set up as a "business" account, and set to automatically transfer any monies received directly to the chapter's checking account. Read-only account access shall be established and maintained for volunteer leader/staff use. All account passwords shall be changed each time officers with access to the account change. The VP-Finance is ultimately responsible for monies received through the PayPal account. No disbursements shall be made through such account other than to a chapter account in a financial institution (i.e., the chapter's checking or savings account).

**I verify that I have completed the chapter's annual financial review.**

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Reviewer's Signature

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Date

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Reviewer's Title or Relation to Chapter