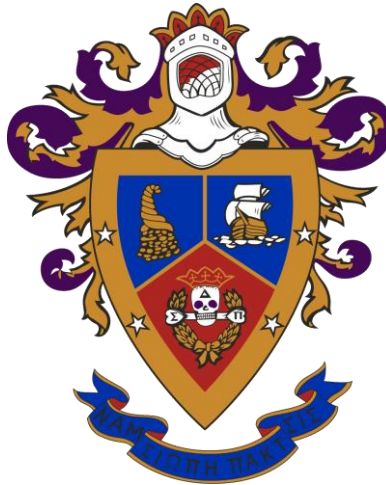


Vice President-Finance Officer Packet



Duties of the Vice President-Finance (VPF)

(from Policy and Procedures Manual section B, policy 12)

- To oversee the receipt and expenditure, upon duly authorized orders, of all monies of the chapter.
- To oversee the preparation of an annual chapter budget; monitor revenue and expenses in relation to the budget; and promptly report any variances to the chapter.
- To oversee the keeping of an accurate account of the receipts and expenditures of the chapter in a standardized accounting system which must be open at all reasonable times for inspection and examination.
- To ensure such reports as may be required by the Central Office are forwarded without unreasonable delay.
- To ensure the Central Office is notified if a member of the collegiate chapter is or is not in good standing upon graduation or withdrawal from the chapter in accordance with such procedures as may be prescribed by the Executive Director.
- To ensure that badges are ordered and paid for 21 days before each initiation.
- To ensure that all financial obligations affiliated with initiations are submitted to the Central Office within seven days following each initiation.
- To ensure that member dues are paid to the Central Office within 30 days of the first day of classes in each academic term.
- To ensure all chapter checks are signed by two different people, one of which is the chapter president and the other being a different nationally recognized chapter officer, who is not the vice president-finance.
- To ensure that payment to the Central Office for invoices covering chapter liability insurance, regalia use and the Grand Chapter Congress travel fund are promptly submitted.
- To ensure an independent accounting review of the chapter's finances for the prior fiscal year is completed annually by June 1. The reviewer may be a CPA, a member of the school's accounting faculty, or similar professional.

Revenue Sources

Revenue will come into the chapter through a variety of sources. Document and record all income promptly and provide receipts as necessary. Sources of income include:

- Membership dues
- Pledge initiation fees (as prescribed in the Standard Pledge Education Program)
- Profitable fundraising events
- Corporate sponsorship
- University allocations or stipends from the student activity fee
- Alumni and faculty contributions; other donations

The chapter may not charge membership dues to pledges, faculty, or alumni nor accept revenue from sales of any product or service that violates a state law, federal law, university policy, or the Delta Sigma Pi Risk Management, Insurance and Conduct Policy.

Chapter Expenses

Expenses incurred by the chapter include many that are similar to what any business would incur. The chapter also pays national dues and initiation fees for each member.

- National dues per member are \$85 annually and the chapter is billed \$42.50 each fall and spring term. Quarter schools are not invoiced in the winter term. Late fees are applicable if the fees are not paid within 30 days of the start of classes. Dues are not charged during summer months or short-terms.
- National initiation fees are \$70 per student; \$30 per faculty; and \$30 per honorary payable immediately after initiation. Late fees are applicable if not paid with 14 days following the initiation.
- A badge lease for each member is required prior to initiation and is \$50 per student, faculty, or honorary member.
- A current *The Crown and Delta* should be ordered from the Central Office for each pledge. Per policy each pledge is required to have their own pledge manual to keep. Manuals change every year so old ones should not be used.
- Each chapter is required to have adequate insurance coverage for liability, fire, theft, etc. The Fraternity secures the appropriate coverage and bills each chapter accordingly. This is usually invoiced to chapters in March of each year and the premium varies with the size of the chapter and the state where the chapter is located.
- A regalia fee of \$25 will be billed twice per year, usually in August and January. The regalia may be reserved as many times as necessary without additional charges.
- The Central Office will maintain a Grand Chapter Congress fund (savings) for each chapter in the amount of \$200 per year. This amount will be billed to the chapter in two installments during the year. Since Congress is held only once in two years, each chapter will receive \$400 for attendance at the Congress. Amounts not used on Congress attendance will be forfeited and deposited into the general fund of the Fraternity. Any interest that accrues on the fund is applied to the general Congress budget. Chapters may elect to deposit additional funds to the Congress reserve fund to be used for any prepaid expenses in advance of Congress such as registration fees or airfare. All prepaid expenses will be reimbursed within a reasonable timeframe after an expense report with adequate documentation is received by the Central Office. Additional funds which are over and above the minimum are not subject to any forfeitures or restrictions except in the case of chapter closure.
- Other chapter expenses are those related to officers, committees, activities and overall operations. Here is a list of common chapter expenses:

-Recruiting materials

-Speaker certificates; chapter awards; gifts

-Chapter newsletter

-Charitable donations

- Advertising
- Postage
- Paper; envelopes
- Photo developing; scrapbook
- Replace lost pledge pins
- Award/composite framing
- Savings; scholarship fund
- Accountant fees; ledger system
- Anniversary banquet

- Meeting room fees
- Printing; photocopying
- Refreshments (recruiting, faculty reception)
- File maintenance
- Storage/mailbox fees
- Bank service charges; checks
- Faculty/honorary fees and badges
- Advance costs with fundraising

National Financial Policies

All chapter checks must be signed by the President and countersigned by another officer (not the VP-Finance) of the chapter.

Orders to pledge pins, pledge manuals and badges can be ordered through the Supplies Ordering Module in the Hub. These orders can be prepaid with a credit card or invoiced to the chapter. All other supplies or jewelry orders from the Central Office must be prepaid by check, money order, or individual credit card (MasterCard, VISA, and Discover). Shipping is free on standard orders. Ohio chapters must pay sales tax. Any check returned for insufficient funds is assessed a \$15 charge. The chapter must pay for requested overnight or other express delivery on supplies or jewelry.

Membership dues are to be paid via check or electronically through the Hub within the first 30 calendar days of each fall and spring term (including weekend and holidays). Membership dues will be invoiced for all dues paying members on record 10 days after start of semester, however, invoices can still be adjusted up to 30 days after the start of the semester. Late payments will be assessed a higher dues rate and are not eligible for CMP recognition.

Pledge initiation fees must be paid within 14 days after initiation (including weekend and holidays). Payments after 14 days will be charged a substantial late fee per person. **NOTE:** Initiation fees must also be postmarked within fourteen days after initiation to be awarded full CMP credit.

Dues and fees are the same price for part or full-time students and graduate or undergraduate students. Dues are not assessed to faculty and honorary or members who have graduated or left school. If a student is on university suspension or probation, they are required to pay dues unless the terms of the discipline do not allow participation in student organizations. Members on probation will be counted for dues. Any student on "non-local" co-op for whole or part of a term shall not pay dues. It does not matter whether or not school credit is earned. A co-op is defined as any work, internship or exchange program. "Non-local" is defined as living somewhere other than where the student would live if taking regular classes or not taking any on-campus hours.

Any chapter member whose status is pending because of preferred charges and a trial must pay dues unless expelled and the complete paperwork has been submitted to the Central Office prior to the due date for dues. There are no refunds or credits on dues for members expelled after the due date for dues.

The fiscal year of the Fraternity is July 1 - June 30. Each chapter must follow the same fiscal year and should have zero accounts payable to the Fraternity at June 30 each year.

Relevant CMP Issues: Budgets and Monthly Statements

The Budget

Budgets need to be established for the chapter twice each year. Each budget will be for a six-month time period. Individual budgets should be obtained from each officer or committee and compiled into one chapter budget.

The chapter should use the Financial Template provided. The chapter may also choose to add a weekly cash flow chart to their statements.

The budget, similar to the provided example, must be submitted to the Central Office by January 15 (for the period June 16 - December 30) and by June 1 (for the period January 1 - June 1) to receive recognition in the Chapter Management Program (CMP).

The Vice President-Chapter Operations will be able to further go over relevant CMP issues with you regarding payments, budgets, statements and year-end reviews. All financial matters and CMP processing is conducted July 1 - June 30 in accordance with the fiscal year of the Fraternity.

Federal and State Tax Information

Although your chapter and the International Fraternity are organized on a not-for-profit basis, the Internal Revenue Service (IRS) and various states may require the filing of income and/or informational tax returns. It is the responsibility of each chapter to meet all tax requirements as required by the applicable laws.

All active Delta Sigma Pi chapters are required to file an annual return with the IRS by November 15 each year. Chapters with annual gross receipts of less than \$25,000 are required to file the 990-N (e-Postcard) which is completed for the chapter by Central Office staff to ensure compliance. If the annual gross receipts of the chapter are more than \$25,000, contact the Central Office at accounting@dsp.org for more information.

If your chapter has significant fundraising or other “unrelated business income” (income other than dues or initiation fees), you might consider utilizing the services of a Certified Public Accountant to provide consultation on your chapter’s tax situation.

If a chapter has unrelated business income in excess of \$1,000, it may be necessary for Form 990-T to be filed. All chapters should obtain tax assistance from a CPA or other qualified tax accountant especially in cases where gross receipts exceed \$25,000 or UBI exceeds \$1,000. Do not fail to meet appropriate Federal and/or State tax requirements. Currently the IRS penalty for **just filing late** is \$10 for each day past the deadline. Filing three weeks late makes your chapter liable for a \$150 penalty even if you owe no taxes! Note that the International Fraternity assumes no responsibility for any taxes or penalties due any governmental agency by your chapter. *If your chapter received a tax package in the mail, the chapter is required to file a tax return.* If your chapter must file Form 990 with the IRS, you will need the Group Exemption Number (GEN) for our exemption group. Our GEN is 0414. We currently hold a group exemption from the IRS under Section 501(c)(7).

Each chapter, both collegiate and alumni, has its own federal employer identification number (EIN). The EIN is effectively a social security number for businesses regardless of whether or not it has employees. The EIN is also required by banks to open an account. The chapter’s EIN number can be found on the Hub Dashboard.

A chapter may not, under any circumstances, use the EIN of the International Fraternity of Delta Sigma Pi, Inc. Use of the Fraternity’s EIN has resulted in misdirected mail on employment tax matters and penalties and fines being levied by the IRS.

In regard to state and local sales taxes, the exemption provided by IRS to the Fraternity and its chapters is totally unrelated to Federal taxes. In many states, a not-for-profit organization like the Fraternity is exempt from sales taxes only on items purchased for resale purposes; items used in the operation of the organization are subject to sales taxes. Consult with your state and local officials for their specific requirements.

As a business reporting to the IRS, your chapter is responsible for maintaining adequate and accurate records. If you were to be audited, your accounting system, cash receipts records, checking and savings account records, investment records, and minute book would all be subject to review. You should maintain records for at least the past seven years.