



Colorado High School Baseball Umpires Association

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The Treasurer's Financial Toolkit

(checklist of duties)

INTRODUCTION

One of the main LEGAL responsibilities of an association's board is to maintain financial accountability of their organization.

The board acts as trustees of the organization's assets and must exercise due diligence to oversee that the organization is well-managed and that its financial situation remains sound, fulfilling their role as fiduciaries.

What does fiduciary mean?

Fiduciary duty requires board members to stay objective, unselfish, responsible, honest, trustworthy, and efficient.

Board members must always act for the good of the organization, rather than for the benefit of themselves. They need to exercise reasonable care in all decision making, without placing the organization under unnecessary risk.

Not every board member can be a financial expert. Every board member, however, needs to understand their basic fiduciary responsibilities which include but is not limited to:

- Review and "approval" of financial reports
- Budget approval
- Review of audit report and year-end financial statements prepared by outside auditor
- Review of Form 990-IRS submission annually

These responsibilities also include understanding general terminology, having the ability to read financial statements and judge their soundness, and recognizing warning signs that might indicate a change in the overall health of the organization. If a board member does not understand something, he or she must be willing to find out the answer.

This toolkit is designed to provide CHSBUA with guidelines for successful financial stewardship of the association.

THE TREASURER

Role of the Treasurer

A treasurer has a broad range of responsibilities including:

- Oversees all funds, financial records and resources
- Oversees preparation of annual budget; and approval by the board
- Reports on the financial status at board meetings
- Oversees tax filings
- Performs such duties as identified in the bylaws or assigned by the President

The organization's bylaws should contain the overall responsibilities of a treasurer, and other responsibilities specified in procedure manuals and brochures.

Traits of an Effective Treasurer

- Dependable
- Good communication skills
- Detail oriented
- Strong organizational skills
- A familiarity with accounting practices and procedures for the organization
- Knowledge of volunteer and nonprofit financial management
- In-depth knowledge of the organization and its mission and objectives

Treasurer's First Steps

- Ensuring the proper and complete transition of files and records, including the permanent records from the retiring treasurer. Ask about missing records at once
- Becoming familiar with the duties outlined and any references to finances and budget in the organization bylaws
- Working with the outgoing treasurer to secure the signatures of new officers authorized to sign checks, and filing the signature cards with the bank
- Checking on bonding and liability procedures
- Studying this finance toolkit and relevant areas of IRS.gov (see federal requirements)

Building a Finance Committee

Most organizations have the need for a finance committee. At this time, we do not. This responsibility lies with the treasurer under the executive committees review. This is never done alone. He/she works to make sure the association is in good financial health, that its assets are protected, and that its resources are used appropriately. Working with other organization and community members to build a strong unit and to achieve goals can be a source of pride for this responsibility. Consultants are accessed, if needed, when making association investment decisions.

Treasurer Responsibilities

- Understand current nonprofit financial issues by reading relevant materials (IRS) and pursuing appropriate training
- Develop the budget (with the help of other association members)
- Manage the funds of the organization. Keep an accurate and detailed account of all monies received and paid out. Balance the check book immediately when you receive a bank statement
- Prepare or supervise a monthly bank reconciliation and submit copies (or electronic review) to the president and secretary
- Submit a report for each board meeting. Be prepared to answer all questions promptly, and have the records available at the meeting
- Receive all monies for all accounts
- Issue receipts for cash received. Deposit all monies in a bank approved by the executive committee/ board of the association

- Monies should never be kept at the treasurer's home. Association funds should not be deposited in the personal account of the treasurer nor should personal credit cards be used. Do not allow other groups to run monies through the organization's bank account
- Pay all authorized bills by check or credit card. It is a recommended best practice and our association's procedure that two signatures be required on all checks
- Guidelines for payment of bills/invoices are as follows:
 - If the invoice is part of the approved budget-Treasurer can pay
 - If there are budget overages:
 - Less than \$300, Treasurer and President concurrence required
 - Between \$300 - \$1000, executive committee will approve
 - More than \$1000, the BOD will approve
 - If not a budget item and less than \$300, Treasurer and President concurrence required
 - If not a budget item of \$300 - \$1000, executive committee will approve(can be done via email)
 - If not a budget item and more than \$1000, the BOD will approve(can be done via email)
- Review monthly credit card payments (credit card has a \$3000 limit)
- Carefully manage cash flow, keeping an eye on the bank balance before authorizing payment of budgeted expenditures
- Review association bylaws for the correct procedure for authorizing disbursement, e.g., pay bills by check – never by cash; obtain written authorization for purchases; obtain two signatures on checks (usually the president and treasurer)
- Work with CHSAA and the secretary to keep an accurate and timely list of members or use online member database
- Prepare and arrange for regular audits, preserving all check requests and authorizations, receipts, bank statements, canceled checks and other supporting financial documents
- Transfer all financial records to the incoming treasurer in a timely manner, including the last audit report, budget, ledger, register, authorizations, and bank statements with canceled checks, deposit slips, receipts/bills, meeting minutes, treasurer reports, and other supporting financial documents (hard copies/files, and electronic documents on a flash drive)
- Retain financial documents, such as canceled checks and paid bills, according to generally accepted accounting principles (hard copies/files, and electronic documents on a flash drive)

Note: All organization monies and other assets, including checking accounts, savings accounts, and certificates of deposit, are the property of the organization.

Occasionally it may be necessary for others to handle the organization's money, such as dues from membership enrollment or returns, and fundraisers (like a golf tournament). Two people should always count the money, and both should sign the receipt verifying the amount. All monies collected should be given to the treasurer without delay.

Contents of the Treasurer's File

- A copy of the organization bylaws, policies and procedures, and standing rules, with sections authorizing disbursements marked
- A copy of the current adopted budget, plus three years of past budgets
- Receipt book to acknowledge money received by the treasurer
- Checkbook to disburse funds as authorized.

- Treasurer's account book (folder) in which to keep the financial records of the association (may be an electronic file)
- Permanent Internal Revenue Service (IRS) tax information, including the following:
 - IRS determination letter of tax-exempt status and copy of application for tax exempt status (See Determination Letter of Federal Tax-Exempt Status)
 - Federal Employer Identification Number (FEIN), also known as EIN (Employer Identification Number) o Copies of filed Form 990/990-EZ, 990-N, 990-T, or other required IRS forms from the last three years
 - Group exemption number (See Determination Letter of Federal Tax-Exempt Status)
- Permanent state tax information, such as state sales tax correspondence, state identification numbers, and reports filed with the state, as required
- An up-to-date roster of the members of the association
- A copy of the CHSBUA Finance Toolkit and a completed copy of the financial management checklist
- Auditor's reports, checklists and recommendations for the past two years (older audits permanently filed)
- All cash records
- Blank forms (Check/Reimbursement Request, Deposit, Membership Dues and any school state of district required forms)
- General correspondence

Treasurer's Monthly Report

Prepare and present an updated treasurer's report (current Profit & Loss Statement) every month and post it to the website. The association bylaws should provide that the treasurer report regularly to the association. The treasurer's written report should indicate what period of the fiscal year the report covers, the date it was prepared, and who prepared it.

These reports should be given to the auditor or auditing committee during the auditing process. The auditing committee should report to the association at such times as the bylaws require. Usually, an audit occurs annually at the end of the fiscal year.

Treasurer's Annual Report

At the close of the fiscal year, the treasurer should close the financial records and prepare an annual financial report covering the entire fiscal year. The treasurer should give a summary annual report to the membership at the annual meeting. This report is for information only and is not officially adopted; the report becomes official after the audit has been completed and the audit report is officially adopted by the membership. Thus, the adoption of the audit report will be done at the first business meeting of the new fiscal year. The bylaws should provide how the audit is to be made.

The treasurer's annual report and the audit report are filed with the permanent financial records after the association has formally adopted the audit report.

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