

PIKE

Pi Kappa Alpha

Assistant Treasurer Handbook

Updated June 2019

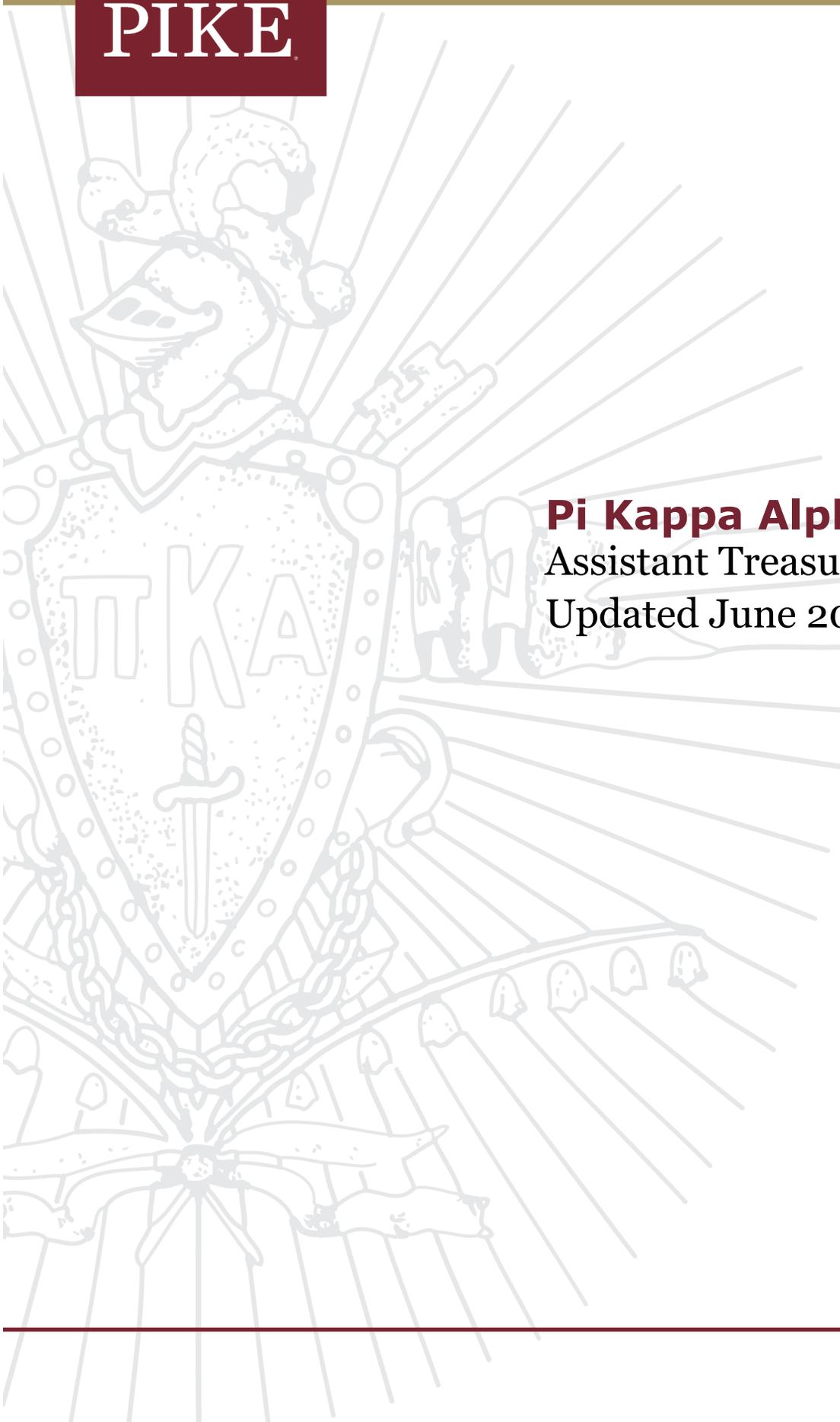


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Foreword

The contents of this handbook are the result of a compilation of information from various chapters and various brothers affiliated with The Pi Kappa Alpha Fraternity for the use by any chapter which is interested in establishing or improving its programming.

It should be understood that each chapter is self-governing and solely responsible for its day-to-day, week-to-week and month-to-month operation and nothing herein is intended as or should be deemed as supervision, direction, monitoring, oversight or as an effort to control the local chapter by the Pi Kappa Alpha Fraternity, which is a fraternal affiliation of over 220 chapters, over 15,000 active undergraduate members and over 260,000 alumni and several nonprofit corporations, including, but not limited to Oak Service Corporation, a Tennessee nonprofit corporation which serves as a clearinghouse and an administrator for purposes of organizing meetings and conventions, publishing fraternal publications and performing other functions for the entire Fraternity.

This handbook is an educational guideline only which contains suggestions and recommendations developed by various chapters which were able to develop successful programs. It is published and available to any chapter through the clearinghouse in Memphis as a form of brotherly advice for whatever use one wants to make of it.

All ideas herein are optional, and nothing is mandatory. Participation is by the voluntary choice of each chapter and each member with the understanding that one generally gets out of something what one is willing to put into it. Thus, any language contained herein which could possibly be construed as “mandatory” such as “do this” or “do that” is only in the form of a recommendation that if one wishes to get the most benefit out of using the suggestions in the handbook, then the suggestions can be utilized with the understanding that any handbook is, at most, a guide and that the users should substitute their own experience and judgment to use, adapt or modify the suggestions and recommendations contained herein. In other words, the handbook is a guide from which the users can use to establish, improve or build their own programs, using their own knowledge, common sense, ideas and experience and to assist the users from time to time as a reference for ideas and suggestions. In turn, each chapter is encouraged to share good ideas with other chapters by advising the administrative clearinghouse for possible inclusion in future publications.

ASSISTANT TREASURER HANDBOOK
THE PI KAPPA ALPHA FRATERNITY
8347 West Range Cove
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Revised June 2019

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Introduction

When it comes to finances, the chapter truly is a business. If the chapter utilizes business procedures in its financial operations it will most likely prosper, for many similarities exist between a chapter and a private business.

Every business has its investors; the chapter's investors are its members. From the day a member joins, he invests funds in the chapter. The chapter leaders are charged to manage this investment to the best of their ability.

Communication

Communication is the most important component of the financial operations of any chapter. Each member should be made aware of his financial obligations from the day he joins the chapter. One of the first new member meetings should include a financial orientation.

It is also recommended that financial obligations be thoroughly described in the chapter's bylaws and the new member handbook of the chapter. Excerpts can be read or reviewed regularly at chapter and new member meetings. Written acknowledgement of these obligations by each member, possibly in the form of membership contracts, is strongly encouraged.

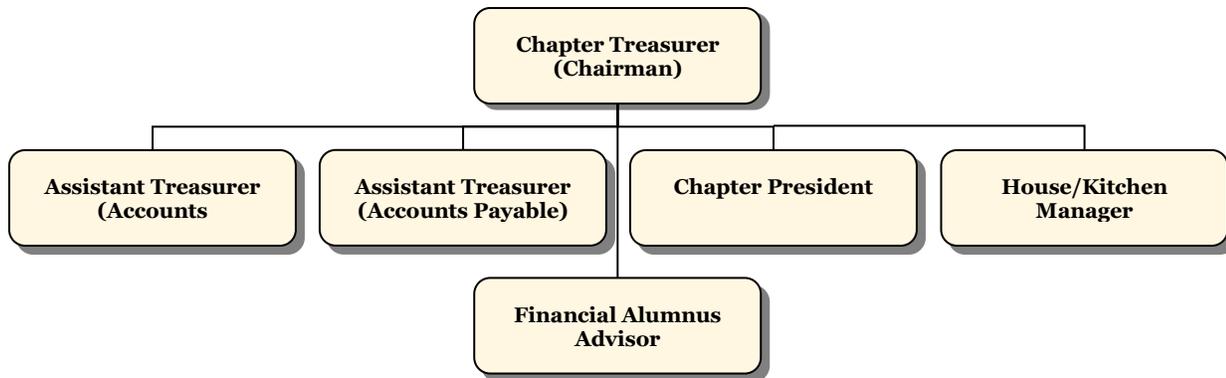
As an assistant treasurer, you are charged with assisting the chapter treasurer in communicating a consistent message to all members and ensuring that the financial objectives of the chapter are achieved.

The responsibilities surrounding the chapter's financial operations are so substantial that most chapters engage an entire committee to carry out this important task. In being appointed as an assistant treasurer, a tremendous amount of faith has been entrusted into your character and abilities. Your actions will have a direct impact on the chapter's ability to position itself for success during your term.

Finance Committee

Structure

The finance committee oversees the budgeting process and enforces the financial policies of the chapter. Most commonly, the committee is composed of the chapter treasurer (*who acts as chairman*), an alumnus advisor, assistant treasurers, the past chapter treasurer (*if available*), as well as the house and kitchen managers (*if applicable*).



Specific Committee Member Functions

- Assistant Treasurer (*Accounts Receivable*):
 - Ensure accuracy of member balances in electronic billing system; enter payments received by the chapter
 - Ensure accuracy of member statements with billing service account representative
 - Work with members in the formation of any potential payment plans (*as an exception and only when deemed necessary as a result of personal hardships*)
 - Educate members and new members on the financial obligations of membership
- Assistant Treasurer (*Accounts Payable*):
 - Act as signatory on chapter checking account (*two of the three authorized signers should sign every check*)
 - Assist with creation/maintenance/reporting of the chapter budget
 - Ensure timely payment of all balances due by the chapter
- Chapter President:
 - Act as signatory on chapter checking account (*two of the three authorized signers should sign every check*)
 - Assist in education of members and new members regarding the chapter's financial policies and procedures
 - Assist the chapter treasurer in enforcing the chapter's financial policies as necessary in individual circumstances
- House/Kitchen Manager:
 - Serve as housing/kitchen operations liaison to the chapter finance committee
 - Assist the chapter treasurer in enforcing the chapter's financial policies as they pertain to housing/kitchen operations

It is important that each member of the finance committee have specific responsibilities and direction. Otherwise, the finance committee will not be as effective and may not be able to accomplish the objectives placed before it.

It is common for chapters to have two assistant chapter treasurer positions, one with responsibilities aligned with accounts receivable, and the other aligned with accounts payable and budgeting. Some sample functions of those positions are outlined below.

Assistant Treasurer – Accounts Receivable (A/R)

The assistant treasurer – A/R may be just as familiar, if not more so, than the chapter treasurer on the accounts receivable of the chapter at any given point in time. This function can be one of the most challenging within a chapter's financial operations; however, with solid policies and consistency in enforcement, many chapters have limited the aggravation this area would otherwise cause.

Education and Communication

From the time a new recruit is approached about joining the Fraternity, the chapter should be up front in explaining the financial obligations of membership. The assistant treasurer – A/R can play an important role in ensuring this education, whether by facilitating a financial orientation session at the first new member meeting, providing a financial breakdown handout for members of the recruitment committee to use when talking with a potential recruit, or by establishing a member account in OmegaFi's Vault online platform as soon as the member accepts his bid.

It is important that education not cease with initiation. Members should be exposed to financial issues facing the chapter as often as necessary. This may take place during chapter meetings or perhaps even as part a comprehensive continuing education program where an outside speaker may be invited to discuss personal finances with the membership at large.

The most successful chapters view the financial education of their membership as an essential and perpetual component in maintaining an established culture of individual accountability.

Accurate and Timely Reporting

Information that should be collected and entered as soon as possible includes:

- Full name information
- Social security number
- Email address
- Parent information (*name & contact*)
- Complete address information
- Billing preferences (*school or home*)

Gathering the above detail as soon as possible and entering the information into the Chapter DesktopSM has allowed for notably higher collection rates. Additionally, all members tend to have a much greater awareness with respect to financial matters

Pi Kappa Alpha chapters use OmegaFi's VaultSM billing and collection services. This allows chapters to achieve significantly higher collection rates. If you have any questions regarding this service, please call 800-276-6342 or email info@omegafi.com.

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and the resources available to each member in accessing, understanding, and paying their account balance.

Special care should be given to ensuring each member's statement is complete and accurate. The assistant treasurer – A/R may aid the chapter treasurer in reviewing each member's statement prior to it being mailed out. One overlooked detail may call into question the validity of all charges. An open line of communication should exist between the chapter treasurer, assistant treasurer – A/R, and the OmegaFi account representative. This will help to ensure any issues are dealt with promptly and consistently.

Likewise, as soon as a payment is received by the chapter, it should be reflected in the member's account. Attention to this area will communicate a sense of financial responsibility within the chapter that will encourage members to respond in kind. The assistant treasurer – A/R may be authorized by the chapter treasurer to make such entries personally or may serve as a partner in ensuring this important function occurs.

Payment Plans

As previously stated, when it comes to finances, the chapter is a business. Even so, from time-to-time it may be necessary to work with a member through a challenging personal situation that is causing his financial hardship. The assistant treasurer – A/R can be of great assistance in such circumstances by meeting with the individual member to propose a payment schedule for consideration by the chapter's finance committee.

Any payment plans should be viewed an exception rather than the norm. Once accepted by all parties, they should be followed "to the letter" to avoid a crumbling sense of accountability by the member to the chapter. Often chapters will include some financial penalty for requiring a payment plan (*e.g. flat charge or a percentage of the carried balance*).

Some common practices in a payment plan being considered include:

- The request comes from the member, not the chapter
- Evidence or explanation of the hardship is established (*e.g. change in parent employment, loss of scholarship, etc.*)
- Requests made prior to any delinquencies are generally looked more favorably upon than those that arise after a significant balance is amassed.
- Proposals include specific payment dates and amounts that take into account future dues and fees
- The agreement includes acknowledgement that any costs associated with collecting the balance (*should the agreement not be completed*) be borne by the member

Should the terms of a payment plan be violated, the chapter may pursue financial expulsion of the member through the *Statement of Delinquent Account* form (*available online at myPIKE*) or consider turning the account over to a collections agency.

Collection of Delinquent Accounts Receivable

Chapters that require membership agreements and social security numbers of all members are generally more successfully in their collection efforts than those that do not. OmegaFi will maintain a record of this information. The following practices may also assist with efforts to collect on delinquent A/R:

- **Social & Athletic Suspension:** A member who is financially delinquent should not be allowed to participate in activities which he has not financially supported. Chapters have identified this technique to be extremely successful, especially when a major function such as a formal or date party is planned.
- **Fines:** Simply stated, if a member does not pay his financial obligation to the chapter by the prescribed date, a fine or penalty may be imposed.
- **Reporting:** The chapter treasurer may report at each chapter meeting a list of members who are financially delinquent. Mentioning that such delinquency is causing a delay in certain planned activities of the chapter may generate peer pressure among members who are in good financial standing towards delinquent members to satisfy their accounts.
- **Withholding Academic Records & Registration:** Several schools will place a “hold” on a member’s academic account if he is financially delinquent to a student organization. Such members may not be eligible to receive grades, register for courses, or obtain a copy of their academic transcript until the chapter notifies the host institution that the member has paid.

Assistant Treasurer – Accounts Payable (A/P)

The assistant treasurer – A/P is often the chapter treasurer’s “right-hand man” in tracking the expenses of the chapter. Often, a past chapter treasurer will serve in this capacity, offering a sense of history and perspective to this sensitive account area. This is particularly useful when the alumnus financial advisor position is vacant.

Bank Account Signatory

Best practices would indicate that all chapter expenditures should be approved by at least two independent parties. Therefore, it is generally recommended that two signatures be required on all checks. Typically, the chapter treasurer and president serve as signatories; however, if one of



Ensure current signature cards are on file at the bank to avoid confusion during the transition from one treasurer to the next.

those two individuals are not available, many chapters have determined that having another authorized signer is often helpful. It is common that the assistant

treasurer – A/P be the third person authorized to serve in this capacity.

Timely Payment of Chapter Liabilities

The assistant treasurer – A/P, as might be expected, is typically focused on the accounts payable of the chapter. This focus, paired with that the chapter treasurer, should discourage any late fees being assessed as a result of any bills being lost or misplaced.

It may useful to develop a method of processing all bills received by the chapter. For example:

- Encourage vendors to address any bills to:

_____ Chapter
ATTN: Accounts Payable
<Address>
<City, State, Zip Code>

(This is also useful to help avoid situations where a bill might otherwise sit in the mailbox of a past chapter treasurer after the transition of officers.)

- The assistant treasurer – A/P opens all bills and creates an A/P log, including due date on bill.
- Bills are forwarded to the chapter treasurer for payment; all payment should be executed in accordance with chapter’s financial policies. Mailed/transmitted payments should be noted on the A/P log.

Chapter Budgeting

The creation and maintenance of a balanced chapter budget is one of the most significant undertakings each term. Further, providing reports on the budget throughout the term is crucial in maintaining open lines of communication with the chapter members at large.

Given the time and effort that goes into the budgeting and tracking operations, the chapter treasurer may appreciate assistance from the assistant treasurer – A/P in this function.

Sample budgets are available online at myPIKE.

Income

It is generally a good practice when preparing income estimates for the budget to error on the side of conservatism. Overestimating the amount of income received over the course of the term can have disastrous results. It is often useful to query other chapters on campus to determine the “market” benchmark in establishing an appropriate dues level for the chapter.

Administrative Expenses

Each term, there are certain administrative expenses that chapters can expect to encounter. These may include the Chapter Assessment (*as determined at the International Convention*), the Liability Protection Program (*LPP*) assessment, and costs associated with typical chapter operations. The most successful chapters in Pi Kappa Alpha also find it useful to set aside funds to assist in sending chapter delegates to PIKE *University* events. Many examples of administrative expenses are shown below.

Administrative Expenses	Budgeted	Actual	YTD %
Debt Retirement (to IKA)	\$ -	\$ -	
Debt Retirement (to local creditors)	\$ -	\$ -	
LPP Assessment (due September 1)	\$ 3,000.00	\$ -	0.00%
Chapter Assessment (due October 1)	\$ 1,500.00	\$ -	0.00%
Per-Initiate Assessment (due October 1)	\$ -	\$ -	
Membership Fees (due 5 days prior to initiation)	\$ -	\$ -	
Garnet & Gold Handbooks	\$ -	\$ -	
New Member Pins	\$ -	\$ -	
Initiate Badges	\$ -	\$ -	
IFC Dues	\$ -	\$ -	
PIKE University Summits	\$ -	\$ -	
PIKE University CEC	\$ -	\$ -	
PIKE University Academy/Convention	\$ -	\$ -	
PIKE University Total Reserve	\$ -	\$ -	0.00%
phi phi k a Club (to IKA Foundation)	\$ -	\$ -	
Other Administrative Expenses	\$ -	\$ -	
Administrative Considerations (on "Summary" tab)	\$ -	\$ -	
Total Administrative Expenses	\$ 4,500.00	\$ -	0.00%

Programming Expenses

Programming expenses consist of committee budgets and special chapter programs and are generally considered the “substance” of chapter operations. These programs are what the campus and outside community typically associate with fraternity life; as such, it’s great to be able to maximize the financial resources you put into chapter programming.

Actual/Year-to-Date Totals

A budget is only as useful as its application. If budgets are created, then ignored, the process is substantially less valuable. Actual/year-to-date (*YTD*) totals can be a great tool in measuring income and expenses to date against the total budget.

With the sample budgets available online, these actual/YTD totals are populated by completing the income and expense ledgers (*separate tabs within the Excel file*), which feed into the summary tab.

Operating Budget	Budgeted	Actual	YTD %
Income	\$ -	\$ -	
Expenses	\$ 4,500.00	\$ -	0.00%
Net Profit/Loss	\$ (4,500.00)	\$ -	

Housing Budget	Budgeted	Actual	YTD%
House			
Income	\$ -	\$ -	
Expenses	\$ -	\$ -	
<i>House Net Profit/Loss</i>	\$ -	\$ -	

Kitchen			
Income	\$ -	\$ -	
Expenses	\$ -	\$ 0.00	
<i>Kitchen Net Profit/Loss</i>	\$ -	\$ -	
Total Net Profit/Loss	\$ -	\$ -	

Net Profit/Loss

As with most financial matters, with a budget there is always a “bottom line.” The goal in creating a balanced budget is to make certain that the expenses of the chapter do not exceed the income.

Supplemental Resources

Budgeting Tools

- Sample Chapter Budget (*operations only*)
- Sample Chapter Budget (*operations & house*)
- Sample Chapter Budget (*operations, house & kitchen*)
- Committee Budget Request Form

Chapter Collections Assistance

- OmegaFi Vault Billing & Collection Services (www.omegafi.com)
- Statement of Delinquent Account
- Sample Payment Plan Contract
- Sample Statement of Account

Informational Resources

- Description of Fees and Resources

Financial Resources/Samples

- Sample Financial Policy
- Sample Membership Agreement
- Transfer of Funds Form

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