

# TREASURER BEST PRACTICES

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## GENERAL

- All clubs should address the risk of misappropriation of funds and establish controls to ensure the receipt and expenditure of club funds are properly recorded.
- CPAs and accountants are good candidates for the club treasurer officer position, but not required.
- A subscription for QuickBooks Online is provided by the Alumni Association to track financial transactions. All clubs are required to maintain current bank balances in QBO and reconcile bank statements on a regular basis.

## BANK ACCOUNTS AND FINANCIAL TRANSACTIONS

- Bank accounts should be set up under the club's Employer Identification Number (EIN), not under a club officer's Social Security number. Clubs can apply for an EIN at <http://1.usa.gov/1HEt1Zp>. The process is simple, quick and can be done entirely online.*
- Dual signatures should be required on all checks. If dual signatures are not required on all checks, a dollar limit should be set by the board that would require dual signatures.
- Remember that when officers change in a club, the financial institution must be advised and signers for the account changed.
- It is recommended that copies of bank statements be uploaded into QuickBooks for safe electronic filing of documents.
- Bank reconciliations should be prepared by the treasurer monthly. The board should review and sign off on the bank reconciliations at all regular club board meetings.



## PAYING BILLS

- Bills for a club can be presented to the treasurer as a cash register receipt that has already been paid or as an unpaid invoice where the treasurer pays the company directly. *The treasurer should never pay an expense unless there is a receipt or invoice. All expenses should have the approval in writing of the president or vice president of the club.*
- Receipts or invoices should include date, name of individual or company being paid, dollar amount, check number and an indication of the expense (e.g., equipment rental, postage, catering expenses for a specific event, etc.) *It is recommended that copies of receipts and invoices be uploaded into QuickBooks for safe electronic filing of documents.*
- When receiving an unpaid invoice the treasurer should pay the bill within two weeks.

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## FILE STORAGE

- The treasurer should keep separate file folders for bank statements, canceled checks, invoices and receipts, deposit slips, cash receipts and financial reports. A separate set of files should be kept for each year. Club records must be kept for *no less than four years*.
- It is recommended that all documents be uploaded into QuickBooks for safe keeping and easy access for future reference.



## RECEIVING MONEY

- All clubs should receive payment via PayPal, cash or check. PayPal sends electronic receipts for all payments. In the instance where the club collects cash or check, a receipt should be issued for the amount received.
- PayPal accounts should be shown in QuickBooks as a separate account and can be linked for easier reconciliation.
- A receipt should indicate: cash or check payment, the date, who the money is from, what the money is for and the dollar amount. The sum of the cash and checks should be equal to the bank deposit. Cash and checks that are received should be deposited the next business day.
- Write receipts in a club receipt book. The original receipt is handed to the person who pays you and the carbon copy is the club's copy that is to be kept in the book.
- When checks are received make sure they are made out properly to the club. *Checks should not be made out to an individual*. In the event this happens, make sure the individual signs the check, then write on the back of the check "For Deposit Only to the Credit of (Name of Club)."

## PETTY CASH

- Clubs may need to use cash for small payments, where it is impractical or unreasonable to use a check or change at events. A separate petty cash account in QuickBooks is recommended to record the cash transactions for easier reconciliation. This balance figure should be checked against the actual cash in the cash box. If there is any discrepancy, it must be resolved *immediately*.



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## FIVE TIPS TO HANDLING CASH

1. **Set Up One Cash Point.** At events, take cash at one place only.
2. **Create a Paper Trail.** Always use paper receipts for cash and check transactions. This information is essential in creating a budget, and it is smart policy to keep records to control your finances.
3. **It Takes Two.** Always have two people present whenever cash is around. Likewise, always have at least two people on hand when cash receipts are counted. After the cash is counted, have the counters each initial a form certifying how much money is being turned over to the treasurer. Documents confirming deposits should be presented at the next board meeting.
4. **Make Deposits Immediately.** Never let cash — or any receipts — sit for a few days. Receipts should be deposited as soon as they are counted, certified and turned over to the treasurer. If your event is at night, lock the money in a safe place and deposit it in the morning. Make note of the income line item and amount that is included on deposit slip for future reference. When possible upload copies of checks deposited into QuickBooks.
5. **Keep It Simple.** Never take IOUs. Always take money for events, merchandise, etc. up front. Do not deposit club money into your personal account and then write a check to the group for the same amount. Never float a loan to the group and then take the money out of cash receipts as repayment.



## QUICKBOOKS TIPS AND PROCEDURES FOR TREASURERS

1. **Payee.** Be sure to input the payee name for any club expense in the expense transaction.
2. **Standard chart of accounts.** Always use the standard chart of accounts when posting income and expenses. Any account that has a preceding number is on the standard chart of accounts. When in doubt contact the accounting specialist at the Alumni Association.
3. **Don't Delete transactions.** If a transactions is posted in error, void the transaction instead of deleting.
4. **Reconcile.** Don't get behind. Reconcile all accounts on a monthly basis.
5. **Reporting.** Submit Income & Expense reports to the board for review along with bank reconciliation reports on a monthly basis.