

TRAINING THE UNIT TREASURER

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Abstract

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Many Scout units fail due to a lack of proper financial planning, management and oversight. While most unit committee treasurers are not professional accountants or bookkeepers, they must manage unit finances, maintain proper financial records, prepare regular financial statements and report them to the unit and committee.

While a unit committee has the responsibilities of program planning and implementation, the treasurer's role is to ensure funds are available for the unit to run a successful Scout program. This is in addition to the day-to-day duties of "keeping the books".

Current basic leader training provides little specialized training for the unit treasurer to perform these tasks appropriately. A trained committee is vital to the success of a Scout unit and a trained treasurer is vital to the success of the Scout committee.

The purpose of this paper is to provide a guide to volunteer treasurers on how to perform their duties

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Chapter 1 INTRODUCTION

This paper assumes that the volunteer treasurer is not an accountant or bookkeeper by training or profession, but does have familiarity with a personal checking account. Additionally, a Scout unit's financial transactions (checks or cash received and checks written) generally are few in number.

The volunteer treasurer is a member of a unit committee consisting of a chairperson and at least two other committee members, in addition to the Scoutmaster or Cubmaster, and Chartered Organization Representative.

The Scout unit is a "non-profit" organization. The unit committee's mission is to provide a service to the Scouting unit and ensure it has enough money to operate. A "non-profit" organization must account for the money it uses which has come from those who have donated funds and other resources.

Income and expenses may not come in the right order. At the beginning of any period of time (month or fiscal year), some cash must be available to meet the needs of the organization. During that period, income may exceed expenses (i.e., a profit). However, if expenses exceed income (i.e., a loss), a non-profit organization needs to budget for enough funds from profitable periods to cover its operating expenses until additional income is received.

A non-profit organization must not allow the excess (profit) to benefit any individual. No fees or salaries are paid to anyone. The members of the committee manage the finances of the unit, but do not receive personal monetary gain from any excess of funds. Note that this does not preclude Scouts receiving fund raising earnings to be used for Scouting purposes, e.g., Scout items or summer camp.

Each member of the unit committee is equally responsible for financial management of the unit—not just the treasurer. Many committee members assume that the treasurer

takes care of the finances and everyone else has a limited role.¹ A unit committee must understand that while the treasurer prepares and provides the detailed oversight of the financial transactions, all committee members must be knowledgeable about the organization's financial status so they can make appropriate decisions.

Conflicts will arise if money is not handled carefully and accurately. Good treasurers can protect themselves and their unit committees from conflict by being careful, responsible and accurate as they handle their unit's finances.

¹ John Paul Dalsimer. *Self Help Accounting: A Guide for the Volunteer Treasurer*. Philadelphia: Energize Books, 1986., p. 2

Chapter 2 THE ROLE OF THE TREASURER

A detailed job description for a unit treasurer is critical to the success of a unit committee. Without a job description the treasurer will not have the basic guidelines on how to do the job and the committee has no way to evaluate the unit treasurer's performance.

Job Description

A basic job description calls for a treasurer to manage and report on the organization's finances². A unit treasurer is required to:

1. Carry out the responsibilities of a unit committee member.
2. Maintain all bank accounts and records.
3. Handle all unit funds and pay bills on authorization of unit committee.
4. Monitor all financial transactions of the committee and unit.
5. Prepare a budget, submit it to the committee for their approval, and afterward monitor its use.
6. Provide a financial report at each committee meeting, and provide a financial report to the unit parents and chartered organization at least annually.
7. Prepare any required financial reporting forms.
8. Have a simple annual audit.

² John Paul Dalsimer. *Self Help Accounting: A Guide for the Volunteer Treasurer*. Philadelphia: Energize Books, 1986., p. 3.

The Boy Scouts of America³ provides a job description for a troop committee treasurer in their Troop Committee Guidebook. The troop treasurer is required, in addition to the duties listed above, to:

1. Train and supervise the troop scribe in record keeping.
2. Keep adequate records in the Troop/Team record book.
3. Supervise money-earning projects and obtain the proper authorizations.
4. Supervise the camp savings plan, and
5. Lead the Friends of Scouting campaign.

The treasurer must, at a minimum, keep neat and accurate records, pay attention to detail, handle transactions on a timely basis and follow the unit guidelines. The treasurer's job description is described in more detail below:

1. Unit Committee Responsibilities

The unit treasurer is a member of the unit committee and attends all meetings of the unit committee. At each meeting, the treasurer provides a financial report verbally to the committee and submits a written report to the chairperson for inclusion in the minutes of the meeting.

2. Maintain All Bank Accounts and Records

The treasurer maintains all bank records including statements, checks, and deposit slips. All records should be filed in a neat, systematic filing system for ease of retrieval and audit.

³ Boy Scouts of America. *Troop/Team Record Book*. Irving, Texas: Boy Scouts of America, 2000. p. F2.

3. Maintain Financial Oversight

The treasurer reviews all expenditures approved by the committee and makes recommendations for payment. The treasurer confirms the expenditure amounts, prepares checks for signature and pays the invoices.

4. Prepare and Monitor the Budget

The treasurer and the committee prepare an annual budget based on the unit annual activity plan and previous revenue and expenditures. The treasurer then monitors the budget to ensure that expenditures and revenue are in line with the budget. The treasurer informs the committee if any variances are occurring in order that corrective measures can be taken in a timely manner.

5. Report To the Committee, Unit Parents and Chartered Organization

The treasurer prepares a monthly report to the committee on the status of the unit's finances. This includes reports on banking, financial transactions and fund-raising activities. The treasurer also prepares an annual report to the unit parents and the chartered organization.

6. Prepare Required Financial Reporting Forms

The treasurer prepares all required financial reporting forms including applications for money-earning projects.

7. Annual Audit

The unit committee should have an annual audit of their financial records. The treasurer provides all financial records to the auditors for their review.

Chapter 3 BUDGETING AND PLANNING

As unit treasurer you begin working with the rest of the members of the committee either in the summer or before recharter of the unit (depending upon your unit's fiscal year) to create a budget for the following program year. You submit this initial budget to the committee for their review and then, upon adoption, to the entire unit, such as parents and chartering organization. A budget projects anticipated income amounts and sources along with estimated expense amounts and causes. The easiest way to develop a budget is to take things step by step as outlined below by the Student Activities Office at the University of Notre Dame ⁴ and the Boy Scouts of America ⁵ in their Pack and Troop/Team record books.

STAGE I. INITIAL BUDGET PLANNING (BY TREASURER)

- Review last year's financial records and budget.
- Look ahead to the unit's program plans for next year and the estimated related costs needed to set an initial budget. (It is assumed that the unit has already prepared their annual plan for the coming year and this will provide the basis for the new budget.)
- Review costs for equipment, supplies, and advancement materials from the previous year. Think about potential other expenses which may come up.
- Create a list of possible sources of income.

STAGE II. BUDGET DEVELOPMENT (BY UNIT COMMITTEE)

- Compile the ideas from the initial budget planning stage and work with the rest of the unit committee and leaders to create a preliminary budget. When working on the preliminary draft, identify the activities the unit wants to undertake. Brainstorm. Don't just rely on what the unit has done in the past.

⁴ University of Notre Dame Student Activities Office. *Budgeting for Clubs: An Online Tutorial*.
<http://www.nd.edu/~sao/clubs/tools/budgeting.htm>

⁵ Boy Scouts of America. *Troop/Team Record Book*. Irving, Texas: Boy Scouts of America, 2000. p. F4

- Identify potential sources of income. Three general areas of support are dues, unexpended funds and unit money earning projects. Potential donors can be identified at this time.
- Expenses could be larger than income. If so, the next step would be to either find a way to increase income, or control expenditures so that your projected income and expenses balance. Leave about 5% of your budget flexible for unforeseen expenses.
- Use the budget worksheet in the Pack Record Book or Troop/Team Record Book as a guide.⁶

STAGE III. BUDGET REVISION

- The budget will be revised many times during the preparation process.
- The budget can be revised throughout the program year as actual expenditures are incurred.

STAGE IV. BUDGET MANAGEMENT

- Once the budget is prepared and approved it is presented to the unit (parents, Scout leaders and chartered organization).
- The budget should be addressed at each meeting of the unit committee when the treasurer makes his/her report. This will allow timely adjustments and the committee can address any shortfalls or unexpected expenditures promptly.
- Actual income and expenditures should be compared with projected income and expenditures throughout the budget year.

⁶ Boy Scouts of America. *Troop/Team Record Book*. Irving, Texas: Boy Scouts of America, 2000. p. F4

Chapter 4 BANKING

Bank Accounts

The unit should have its own checking account in the name of the unit, e.g., Cub Scout Pack 123. Unit funds must not be in a personal account of a unit leader. A unit checking account should be opened at a local bank.

How To Open An Account

After you have selected the financial institution you are going to do business with, go to their service counter to open your account. You will need to bring to the bank information on your unit—a list of committee officers' names, addresses, and telephone numbers, a copy of your charter or a letter from the local Council, and an opening deposit (if required). You will also need a copy of the list of designated signing officers (they may also come to the bank as well), driver's licenses or other photo IDs, an Employer Identification number (Form SS-4 Department of the Treasury) or use an officer's social security number to open the account. A representative of the financial institution will take it from there. The financial institution is there to serve you, so do not hesitate to ask questions.

The bank will provide blank forms for opening an account. One of these will be a standard signature form (see Figure 1). Each bank's form is slightly different, but it is a document that legally permits the bank to open an account in the name of the unit. It will authorize the bank to accept deposits and checks drawn in your unit's name. This form is filled out when a new account is opened or when there is a change of signing officers. A resolution from the unit committee is required by the bank to undertake this matter. The bank may request a copy of the resolution, or just the date that the resolution was voted on.

Signing Officers

All checks and other withdrawals must be signed by two members of the unit committee, one of whom is usually the treasurer. Depending on the unit, they may decide to appoint additional signing officers, any two of whose signatures will then validate a check or withdrawal. The unit treasurer is one of the signatories.

The financial institution usually requires a list of the officer positions on the unit committee (e.g., chair, treasurer) indicating who has signing authority. Each person with signing authority will be required to fill out the signature card so it can be checked against the signatures on checks the unit issues. When the officers change in the unit, the financial institution is to be advised and new signature cards will have to be signed.

In order to remove someone from the account, that person may need to provide a letter to the bank asking to be removed from the account. Bank policies may differ and the unit may have to provide additional information to have someone removed from the account.

All signing officers must be unrelated to each other. Under no circumstances are spouses to be signing officers together.

Do not assume a check is correct, even if it has been signed by the other signing officer. Each check signer should ensure the following:

1. Is the check correct and dated? The date should be current (no post-dated checks) and the written amount and the numerical amount must agree.
2. Was the invoice approved by the committee or was there pre-approval for expenditures up to a given amount? The bill or expenditure claim must be presented with every check signing request.
3. Is the payee name correct?
4. Does the check require two signatures? Are you or the other signing officer authorized to sign the checks?
5. Are you signing a blank check? Why?

Spending Authority

A unit committee may determine at what level the treasurer and signing officers can spend funds without a resolution from the committee. If a request for an expenditure is approved ahead of time, the treasurer can pay the invoice directly without returning to the committee for approval.

Expenditures made without a committee resolution or pre-approval will have to be brought to the committee for discussion, approval, and payment.

Petty cash will generally not need prior authority for spending. However the amounts in most petty cash accounts are small. All spending under petty cash should be substantiated with cash vouchers. The petty cash fund should remain small (under \$25.00) and can only be replenished when receipts are submitted to the treasurer.

Receiving Money

Money for a unit is received as either cash or as checks. Cash that is received should be deposited as soon as possible. When checks are received make sure they are made out properly to the unit. If a check is made out to an individual, make sure they sign the check, then write on the back of the check "For Deposit Only to the Credit of (Name of Unit)."

Receipts

A receipt should be issued for all cash received from dues, a donation, or a fund raising activity. Without a receipt there is no way to prove that your unit received a specific amount of money or that you handled it correctly.

A receipt should include the date, who the money is from, what the money is for and the dollar amount. The sum of the cash receipts and checks should be equal to the bank deposit. Receipt books are available from most office supply stores. The receipt book should contain pre-numbered, two-part receipts. If you make a mistake and have to void a

receipt for any reason, write "VOID" on both copies, staple them together and keep them with the treasurer's records.

Money From Fund-Raisers

If the unit holds a fund-raiser, such as a car wash or bake sale, you don't need to write a receipt for each person buying a cookie or having his/her car washed, but you (or the shift leader) need to write one at the end of each shift or at the end of the day. Each group of workers must account for the money they received.⁷

Two people should count the money, agree on the amount, and turn the money over to the treasurer. Verify the amount (recount the money) in the presence of the people giving you the money. Be certain to give them a receipt for the amount they gave you.

A recommendation is that all money from fund-raisers, e.g., revenue from product sales such as popcorn, should be turned over as checks to the treasurer rather than cash. This reduces the amount of cash that a treasurer is responsible for and a paper record of the transaction is kept.

Deposits

Deposit all funds promptly. If your unit receives more than \$20 at any time, deposit the money within three days. Some financial institutions will provide a special lockable bag that can be used for night or weekend deposits

Endorse checks immediately when you receive them. If they are hand endorsed, not stamped, be sure to write, "For Deposit Only" at the top, then the Unit number e.g., Troop 123.

⁷ University of Maryland College of Agriculture and Natural Resources. *Responsibilities of the 4-H Club Treasurer*.
<http://www.agnr.umd.edu/ces/4H/curric/TREAS.HTM>

If the unit receives many checks, a rubber stamp (See Figure 2) can be made with the unit name and bank account number on it. This saves time and ensures accuracy when endorsing checks.

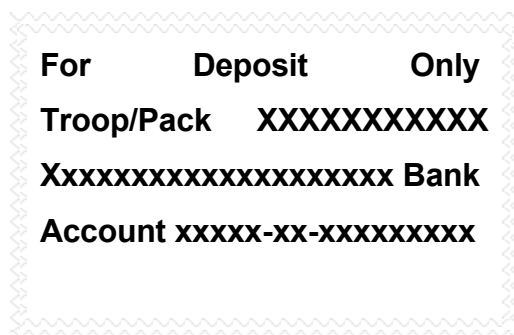


Figure 2. Sample "For Deposit Only" rubber Stamp

Preparing Deposits

Total the receipts (for cash and checks) you have written since your last deposit and compare that amount with the amount of cash (bills and coins) and checks you intend to deposit. The two figures should agree. If they don't, repeat the process. When the two figures do agree, prepare a deposit slip (See Figures 3 and 4). Deposit slips are usually found in the back of a checkbook or you may get a supply from the bank.

It is recommended that special deposit slips be used that have the account information encoded on them. This ensures correct credit to the unit bank account. Duplicate deposit slips (with carbonless paper) can also be used. Using duplicate slips allows the treasurer to have a backup record of all deposits in case any questions arise before statements are received from the bank and if the deposit slips are not returned by the bank.

To fill out a deposit slip, include:

- The date.
- The amount of currency (bills and coins) to be deposited.
- Each check number separately with its amount. Use the back of the deposit slip, if necessary.

Include as much detail as possible on your deposit slips to assist in record keeping and any future audits.

PLEASE BE SURE ALL ITEMS ARE PROPERLY ENDORSED.

DEPOSIT TICKET

First State Bank

DATE _____
DEPOSITS MAY NOT BE AVAILABLE FOR IMMEDIATE WITHDRAWAL

BOY SCOUT TROOP XXX

CURRENCY →

COIN →

_____ →

_____ →

_____ →

TOTAL FROM OTHER SIDE OR ATTACHED LIST →

TOTAL \$

⑆000000000⑆ ⑆00 ⑆000 ⑆0⑆

Figure 3. Bank Deposit Slip

Approving and paying bills

Part of the treasurer's report to the unit committee should include asking for and receiving the committee's approval to pay the unit's outstanding bills. After the committee approves paying the bills, a check is written for the approved amount of each bill.

The usual way to pay bills is with a check. Holding cash back from deposits and using it to pay bills is not a good practice because it doesn't leave a record or provide proof of payment. **All transactions should go through the unit's bank account.**

Writing a Check

The check register should be filled out with the check number, date, amount, name of the payee (the person to whom the check is written) and purpose of the payment. The check register also should show the old balance after the preceding check was written and the new balance after the amount of the current check has been deducted. The check register should also show deposits made since the preceding check was written.

The checks should each be pre-printed with the magnetic code for the account number, bank number and transit information. These can be ordered through the bank where you have an account. The name of the unit should also be pre-printed on the checks (See Figure 5), e.g., Troop ####, Anytown, USA. A business-sized check rather than the smaller checks issued to a personal checking account should be used. This allows for more information on the check, two signature lines, and presents a professional look to the unit. It also ensures that there is no confusion that this is a not a personal account.

Do not put an address on the checks. It is not necessary to place it on the checks as the bank has the unit's address (generally the current treasurer's) on file. Committee members and treasurers change frequently and new checks would need to be printed each time. It also doubles as a security measure for the unit, as the checks cannot be diverted. Arrangements should be made with the bank to have the cancelled checks and statements sent to the treasurer.

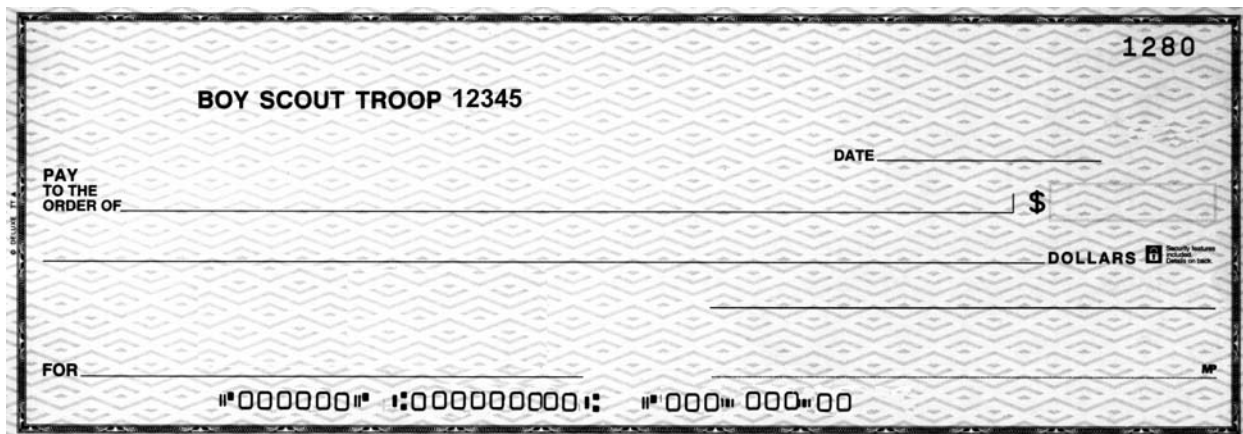


Figure 5. Example of check for unit account.

All the checks should be numbered consecutively with a check number in the upper right hand corner.

When filling out the check ensure that the following is done:

1. Date the check for the day it is written.
2. Write the name of the payee in the space provided after the words, "Pay to the Order of".
3. The amount of the check should be written twice, once in words and once in figures. Write the words starting at the extreme left side. Write the figures close to the '\$' sign. Leave as little space as possible between the words and figures when filling in the amount lines; and follow each with a wavy line. This helps prevent someone else from changing a \$10 check, for example, into a \$100 or \$1000 check. Be sure the written amount agrees with the numeric amount.
4. In lower left corner, in the memo section, write what the check is for. Include account numbers for any invoice or bill that the check is to cover.
5. Avoid writing checks for less than \$1, but if you have to, start the amount line by writing the word "Only" and then the amount.
6. Always sign your name the same way on the checks as you did on the signature card for the bank.
7. Sign in permanent ink.

8. Avoid erasures or changes in writing checks. If a mistake is made in writing a check, the check should be marked "Void" and a new one written. In such cases, mark the check register "void" for that check number. The voided check is to be kept with the account records.

In general, blank checks should never be signed. However there may be circumstances where this is unavoidable. It is up to the treasurer to determine whether a blank check is warranted, e.g., carried by another unit leader on a camping trip when the costs are not known in advance. In most cases, a second signing officer is available on such trips and the check is not countersigned until payment is required.

Both signatories should sign their name the same way on the checks as they did on the signature card for the bank.

Lost Checks

If a check written on the unit's account is lost, notify the customer service department of the bank at once. You may have to place a stop payment on the check. The bank will charge a fee for this service.

"Bounced" Checks

Under no circumstances should there ever be a "bounced" or returned check on the unit account. This is extremely bad publicity for the unit and can be construed as a fraud. Proper monitoring of the unit's finances including an up-to-date check register should ensure that this never happens.

The unit, however, may have received a check that "bounces" or is returned "funds unavailable." In addition to not being credited with the money, the unit's account is charged a service fee. It is up to the treasurer and the unit committee to contact the person who issued the check and request payment from them. All checks paid to a unit must have the person's address and telephone number on the check. The person should be contacted and proper payment arranged, including payment of any service fees owed.

If the funds are uncollectible, the unit committee must decide on further action, which may include preventing a Scout from participating in the unit's events, requiring all cash payments in the future, etc.

Check Register

The check register is kept with the checks and should be kept up to date. To ensure the records are accurate⁸:

1. Write the check number and the date it was written in the appropriate columns.
2. In the "description of transaction" column, write to whom the check was made payable.
3. Enter the check amount in the "payment/debit" column. Then subtract the check amount from the previous balance in the line above and enter the new balance immediately below it.
4. At the end of each month reconcile the account; this means that you compare your records against the bank statement. Use the "T" (or Tax) column space to check off the checks and deposits that have cleared the bank. (This information is included on the bank statement or the checks that have been returned to you.)
5. The "Fee" column is the place to list fees the bank has charged your unit for cashing or purchasing checks and for preparing an account statement. The fee amount will appear on the account statement. Record the fee amount and subtract it from the account balance.
6. Record the deposit amount(s) in the "deposit/credit" column. Then add the deposit amount to the previous account balance and record the new account balance below it.

⁸ University of Maryland College of Agriculture and Natural Resources. *Responsibilities of the 4-H Club Treasurer*.
<http://www.agnr.umd.edu/ces/4H/curric/TREAS.HTM>

Bank Statements

Bank statements are prepared and sent out once each month. Compare the statement with the check register. If any error is found, take the statement and your register to the bank and ask that they be checked.

The bank statement, cancelled checks and check register are to be reconciled every month. Any errors can then be caught quickly and the unit's books are kept current.

The bank statements should be sent directly to the treasurer from the bank so that they can be reconciled promptly. The treasurer should have all statements, cancelled checks and deposit slips available for presentation to the committee at the monthly meeting.

If a statement is delayed or lost in the mail, contact the bank for a duplicate statement. You will not be able to get the cancelled checks, but you will be able to trace the check numbers against your check register.

Reconciling Your Bank Account

Use the check register to keep track of transactions. The first rule in managing a checking account is to "keep good records". If you know your correct balance (the amount of money left in your account), you will be less likely to overdraw your account. The check register allows you to keep track of when checks were written or when deposits were made. Record the amount in the register every time you write a check, make a deposit or perform any other banking transaction.

Balancing the checkbook with the monthly statement allows you to accurately track your unit's money and the activity in their account. There are three steps to balancing a checkbook:

1. Check off items in your register. Bring the check register up-to-date by comparing the items listed on the statement with the items listed in the checkbook register. To ensure that all necessary items have been entered in the register, check off each item in the register that appears on the statement.
2. Update your checkbook register. Record all transactions listed on the statement that are not written in the register. These entries may include service charges and fees.
3. Use the reconciliation form (See Figure 6. The actual form on your bank's statement may vary, but this is a typical format used by many banks.) The final step in balancing your checkbook is simple arithmetic. Use the reconciliation form on the back of the statement to guide you through the following steps:
 - a. Where indicated on the form, write the ending balance listed on the front of the statement.
 - b. Add to the ending balance any deposits you have made that do not appear on the statement. Subtract from this total any outstanding checks (those that you have written that do not appear on your statement). This is your adjusted bank balance.
 - c. In the appropriate section, write your checkbook balance.
 - d. Add any deposits not already entered in your check register.
 - e. From this total, subtract any service charges or miscellaneous bank fees that appear on your statement, but have not been entered in your register. This is your adjusted checkbook balance.
 - f. The adjusted bank balance should equal the adjusted checkbook balance. If the two amounts are equal, your checkbook is balanced. If they do not equal each other, then you must redo the process.

Checks Outstanding

Check No.	Amount
-----------	--------

[illegible]

Total

1

Check off (✓) checks appearing on your statement. Those checks not checked off (✓) should be recorded in the checks outstanding column.

2

Enter your
checkbook balance

Add any credits made to your account through transfers, interest, etc. as shown on this statement.

(Be sure to enter these in your checkbook.)

Subtotal

Subtract account fees (If any)

Adjusted
checkbook balance

A

3

Bank balance shown on this statement

Add
deposits shown in
your checkbook, but
not shown on this
statement, because
they were made and
received after date
of this statement.

Subtotal

Subtract checks outstanding

Adjusted
bank balance

B

Your checkbook is in balance if line **A** agrees with line **B**.

Notes:

We suggest you retain this statement for your records.

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What happens if your figures do not balance?

If your adjusted bank balance doesn't agree with your adjusted checkbook balance after you have completed the reconciliation, use the following to help clear up the discrepancy:

1. Review the previous month's statement to make sure any differences were noted and corrections made.
2. Check to make sure you have listed all outstanding checks. Again, refer back to the prior month's reconciliation and if all those items have not cleared on the current statement, they are still "outstanding" and should be included on this list.
3. Check your addition and subtraction if you are using a manual check register.
4. Make sure you have listed all the deposits that have been made after the cutoff date of the statement.
5. Make sure all the miscellaneous charges and fees are recorded.
6. Double check the canceled checks against your check register making sure that the amounts agree and that you have not transposed a number. (Don't just look at the amount you wrote in, look at the statement amount or the encoded figure at the bottom right corner of the check).

If you are still unable to solve the problem, you may want to contact a customer service representative at your bank for additional help. There may be a fee involved with this service, but it is important that you keep your reconciliations up to date.

Service Charge

Most banks have a service charge for handling an account. If your unit is charged a service charge, there will be a deduction on the bank statement. The amount of the service charge should be shown as an expenditure in your unit records. The service charge is to be entered as if it were a check. Enter the amount in the check register and deduct it from the balance as you do for a check.

Paying Bills

All expenses should be paid by check, never by cash. A check is your written instruction to pay some of your money to the person or organization named.

Bills for a unit, such as an invoice or cash register receipt, can be presented to the treasurer for payment. For an unpaid invoice, the treasurer pays the company directly. For a cash register receipt or a prepaid invoice, the treasurer reimburses the purchaser of the item(s). The treasurer should never pay an expense unless there is a receipt or invoice as proof of purchase.

Receipts or invoices for an expense should include date, name of individual or company being paid, dollar amount, check number, and an indication of what the expense is, e.g., equipment, postage.

The treasurer should pay an unpaid invoice within two weeks after receiving it. When a payment is very large, e.g., over \$500.00, make a photocopy of the check for your records. If the check is lost or delayed, this can assist in tracing the check.

Keep a copy of all invoices that are paid out along with a copy of the check, or note the check number and check date on the invoice or receipt. This will assist in tracing lost payments and in the monthly reconciliation.

Reimbursements

Establish a system for processing reimbursements. A standard process many units use is to have the person needing to be reimbursed submit an itemized receipt, signed by the unit leader, with a note attached delineating what the expense was for. All reimbursements require an original itemized receipt.

To eliminate the possibility of writing many small checks, the treasurer can issue an expense reimbursement form to all unit leaders (see Figure 7) on which they can summarize expenditures, attach receipts, identify the purpose of the expenditure and

submit it for a one-time reimbursement. This eliminates writing multiple small checks and allows better tracking of expenditures. Do not reimburse from cash on hand. There will be no record of payment unless a proper petty cash system is set up.

TROOP 1111 EXPENSE REIMBURSEMENT FORM

NAME: _____

ADDRESS: _____

DATE	PURPOSE	AMOUNT	RECEIPT ATTACHED
TOTAL			

CHECK #: _____

CHECK AMOUNT: _____

DATE PAID: _____

Figure 7. Expense Reimbursement Form

Recording Unit Finances

There are a number of ways to record unit finances. The Boy Scouts of America has produced Pack and Troop Record books which can be used as ledgers to budget and track unit expenditures and income. This is in addition to the checkbook record. The Record books detail all income and expenditures for a unit for one year. The entries show to whom the money was paid, as well as what was paid for.

There is also a variety of computer software available to track a unit's accounts. Two of the most common—Microsoft Money and Quicken—are basically ledger entry systems. Both have sophisticated reporting systems that can meet the needs of most units. Utilizing a computer software accounting or bookkeeping system can be intimidating to some people, but once the system is established, it will permit quick and accurate financial reports.

When a bill is paid, write on the bill the date the bill was paid and the check number. Keep all check registers, cancelled checks, bank statements, deposit slips and receipted bills in a file box. A recommendation is to divide the file box into months and store each month's bills, checks, and slips together.

All records are to be kept in a safe place and retained for five to seven years.

Reporting Unit Finances – Monthly Treasurer's Report

The treasurer is to present a financial report each month at the unit committee meeting. The report is to include:

1. The date of the previous report and the balance on hand at that time
2. All income (credits, receipts) since the previous report
3. All expenses (debits) since the previous report
4. The date of the new report and the new balance on hand

A sample monthly report is shown below.

Treasurer's Report Pack/Troop/Crew Month ending December 2001			
Cash Balance	November 30, 2001		\$3,500.00
Income:	Fundraiser	\$1,000.00	
	Dues	\$35.00	\$1,035.00
Expenses	Camping trip	\$125.00	
	2 new tents	\$400.00	\$ 525.00
Cash Balance	December 31, 2001		\$4,010.00

Figure 8. Sample Monthly Treasurer's Report

After the committee has reviewed the treasurer's report and verified that it is reconciled with the bank statement, a member moves to accept the treasurer's report, the motion is seconded and the committee votes on the motion. If the motion is approved, the secretary enters the treasurer's report into the minutes. All bank statements, payment vouchers, annual summary financial reports, and all receipt books become part of the committee's permanent records.⁹

⁹ University of Maryland College of Agriculture and Natural Resources. *Responsibilities of the 4-H Club Treasurer*.
<http://www.agnr.umd.edu/ces/4H/curric/TREAS.HTM>

Audit

There will come a time when the books have to be audited. It is recommended that this be done annually and at every change of treasurer. An audit is an examination of financial records to ensure their accuracy. To prepare for an audit, the treasurer should gather the year's financial records, including journals, cancelled checks, check stubs, receipt, bills and financial statements. Following an audit, the auditor(s) will prepare a signed statement giving their opinion regarding the accuracy. Auditors are not expected to guarantee that 100 percent of the transactions are recorded correctly. They are only required to express an opinion as to whether the financial statements, taken as a whole, give a fair representation of the organization's financial picture. In addition, audits are not intended to discover embezzlements or other illegal acts. Therefore, a "clean" or unqualified opinion should not be interpreted as an assurance that such problems do not exist.

For most units an audit committee made up of two or more parents, committee members or chartered organization representatives will suffice. They will review the financial records and will state whether the information provided is correct. They will prepare and sign a certificate for the committee. A sample certificate is shown in Figure 9.

Auditors' Certificate

(committee of two or more members and Chartered Organizational Representative)

The finance records for Pack/Troop/Crew _____ for the period of _____ to _____ were examined on _____ (date) and found to be correct.

Auditing Committee

Name	Title
Name	Title
Name	Title
Date _____	

Figure 9. Sample Audit Certificate

Chapter 5 CONCLUSION

CONCLUSION

Unit committees normally experience a frequent turnover of members. A written financial policy and procedure document is a useful guide for both new and experienced unit leaders on how to manage the unit finances. It is a communication tool for the committee and treasurer to use with the unit members and the chartered organization if there are any questions about how the unit committee is handling the financial affairs of the organization.

Developing financial procedures and following them is a lot of work, but it is a form of “insurance” for the organization. Members are kept informed about the financial health of the unit by reading the financial statements. The unit committee can make prompt and responsible decisions based upon the treasurer’s accurate financial records. It helps ensure that the assets and records of the organization are not stolen, misused or destroyed and that all regulations are met.

The finances of a Scout unit are public information. Unit members, parents and leaders are entitled to be kept informed about the financial state of the unit. Sound financial practices such as budgeting, planning and monitoring revenue and expenses build a secure base for the unit to provide a quality program for its youth. Many units struggle with insolvency because of their failure to plan and monitor their finances.

Using this paper as a guide, most unit committees and treasurers can set up a set of guidelines with which to manage their unit finances.

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