

Chapter Financial Administration

Operating an effective Chapter presents challenges similar to operating a small non-profit business. The Chapter Treasurer (and other leaders) must demonstrate responsible cash management and exercise good judgment in making budgeting decisions.

Standard Method

At the beginning of each year, the Chapter will receive financial support from ACerS, based on its number of members:

- 12 to 30 members – \$1,000
- 31 to 50 – \$1,500
- 50 or more members – \$2,000

In those countries with few or no restrictions on receiving US funds via check, electronic funds deposit, or wire transfer, funds can be managed by the Chapter in insured (federally or otherwise) banks or savings associations. Funds are not to be invested in investment securities, real estate, or other investments not insured by a national governing body. The desired liquidity of Chapter funds should influence the type of accounts used.

Alternate Method

For those Chapters in a country that makes it difficult to receive funds from the US, the annual financial support will be put on account in the Chapter's name and can be drawn against for the reimbursement of programming and event expenses incurred by the Chapter. In some cases, in lieu of reimbursement, certain expenses can be paid directly by ACerS. For example, if a hotel conference room is needed for a Chapter meeting, the hotel can bill ACerS directly for the cost and the amount will be deducted from the Chapter's credit account.

Guidelines for maintaining cash balances

1. Chapter leaders should evaluate the Chapter's cash needs at the beginning of each Chapter year during the budgeting process. This evaluation should consider the following:
 - Expected cash inflows (revenues) and outflows (expenditures) in the upcoming Chapter year.
 - Fixed costs of large programs, such as seminars with specific fixed costs that do not bring in sufficient revenue to cover costs due to low attendance.
 - Anticipated donation from cash reserves.
 - Reserve funding needed for a future event that requires funding over more than one Chapter year, such as hosting a district, regional, or international conference.
 - Other cash-related matters that are unique to the Chapter and its objectives.
2. Chapter leaders should establish a floor (minimum balance) for their monthly and year-end cash balance, taking into consideration the above factors to help ensure that the Chapter is able to pay its expenses and liabilities.

3. It is a fiduciary responsibility of the Chapter leadership to ensure unallocated cash is not unnecessarily high. Since Chapters are considered not-for-profit organizations, they should operate under a near break-even premise — the membership should be charged for meetings, seminars, and activities only to the point of what is necessary to cover the costs of running the Chapter and maintaining a prudent cash balance.
4. When saving for a special event or other special purpose expenditure, Chapters may find it helpful to segregate its cash into different accounts, one for general operations and another for specific purposes (similar to the restricted/unrestricted cash concept used by not-for-profit organizations).
5. Chapters should consider passing a resolution that stipulates a prudent range for cash balances (e.g., “It is the intention of the board that the Chapter maintains a cash balance of at least \$200, but not more than \$1,000”). This will provide continuity from one year to the next as board members and officers change.

Bank Account Controls and Cash Reconciliations

In administering Chapter funds, Chapter leaders should ensure proper controls through the following means:

1. Funds received from the Society or from Chapter events, including meetings, should be reconciled to event attendance records and the corresponding bank deposit.
2. Funds received should be deposited as soon as practical, preferably within two business days of the event.
3. Authorized signatures on deposit accounts should be limited to the Chapter treasurer and one or two back-ups, not to include the Chapter Chairperson.
4. A separation should be maintained between the authorized signers on the deposit accounts and those who receive and review the monthly bank statement. For example, if the Treasurer and Secretary are signers on an account, the Chapter Chairperson or his or her designee might receive and review the statement transactions prior to sending them to the Treasurer for reconciliation.
5. The Treasurer should prepare a monthly financial report with comparative budget figures for presentation/reporting to the Society.
6. Chapters are to adhere to the record retention and document destruction policy and procedures as outlined in the Society’s Constitution and Bylaws.

When the Chapter treasury function changes over with newly appointed Chapter leaders, care should be taken to remove bank account signature authorizations of those no longer authorized to approve check/withdrawal transactions.

Ethical Guidance and Expectations

A hallmark of The American Ceramic Society is the commitment to the Society’s Code of Ethics which governs our actions as members and Chapter officers. It is critical that we all work to protect the integrity and reputation of the Society and report any conduct that may be in violation of the Code. As your first point of contact, Chapter leaders are encouraged to contact the Executive Director of the Society. Notwithstanding, Chapter leaders may also contact the appropriate parties in accordance to the Society’s Whistleblowers Policy and Procedures of the Bylaws and Procedures of the Constitution.