



Best Practices for Section Finances and Accounting

One of the goals of ACerS is to support its Sections by assisting the Section with operating as smoothly as possible. One aspect of that is to ensure that each Section receives proper funding to carry out programs and activities that benefit all members. To that end, we offer the following best practices to Section treasurers and other officers to safeguard that good financial controls are in place.

- Each Section should base its accounting year on the same fiscal year as the Society, January 1 through December 31.
- Each Section should use cash basis as its accounting method.
- Sections should consider using a software program to handle accounting needs. A common off-the-shelf solution, such as Quickbooks, may be a good choice. Using a popular, inexpensive software package will make transferring duties between treasurers much easier.
- Regardless of the software selected for maintaining records, it is essential that the Section make arrangements for periodic backup of records.
- The Section treasurer should develop a simple chart of accounts as a way to organize financial transactions by assigning a number to a particular category of revenues or expenses. Those numbers should stay consistent over time and should be passed from one treasurer to the next.
- Checking accounts must be handled appropriately and balanced monthly. Section leadership is to maintain multiple signatories on the account and should include the ACerS Outreach Manager as a signer. Do not allow the Section treasurer to be the only signer on the account.
- Best practices allow for one signature on checks up to a certain amount (\$500) and then dual signatures on checks exceeding that amount.
- Bank account records should be available to at least one other Section officer and the ACerS Outreach Manager at all times. This is easy to do via electronic access to the Section's bank account, which should be provided to the ACerS Outreach Manager as soon as possible.
- It is important to establish a budget for each year that includes reasonable projections for funding/income and expected expenses. Such budgets do not need to be complicated, but they do need to be accurate and understandable. An official mid-year review is advisable to ensure the Section is on track with expectations.
- The Section's financial reporting is handled by ACerS, so the Section does not need to file its own Form 990. It is imperative, therefore, that the Section provide ACerS with its complete and accurate financial end-of-year report no later than March 1 of the next year.

For any questions, contact Vicki Evans, ACerS Outreach Manager at vevans@ceramics.org or Michael Johnson, ACerS Operations Director at mjohnson@ceramics.org.