

Financial Planning Association of Silicon Valley

Secretary/Treasurer Duties/Guidelines

Last Updated: December 31, 2013

Following is a list and description of the duties of the secretary/treasurer of Financial Planning Association of Silicon Valley:

Board Responsibilities:

Take minutes of the board meetings if Executive Director is unavailable

- If ED is unable to attend a board meeting, take the minutes for that meeting,
- Transcribe the notes and send to President and President Elect for initial review
- After incorporating feedback from President and President Elect, send minutes to all board members a few days before the next meeting
- At the next board meeting, ask for approval of the minutes and correct any item that needs to be changed.

Work with other board members on any matter involving the budget or monetary issues

- Respond to the other board members on any question or issue about the budget or about the status of the bank balances
- Provide feedback to the board about the impact on the budget of any proposed activity
- Attend and participate in board meetings, chapter activities, and the Strategic Planning meeting (which is usually in December).
- Assist in keeping chapter on track with FPA Silicon Valley vision, mission, and goals.
- On a monthly basis in the consent agenda, report on the balance in the Chapter accounts. If separate funds are being maintained for specific purposes, report on the balances of those funds should be included.

Prepare annual budget

- At September board meeting, remind directors that the budget will be reviewed and updated starting at the October board meeting. Ask if there are any changes to last year's budget for their areas. Ask for submission of these changes by 2 weeks before the October board meeting
- Two weeks before the October meeting, prepare the first draft of the budget, based on last year's budget, current income and expenses, and initial feedback from the board members. Send out the budget draft by 1 week before the October board meeting.

- At the October board meeting, review the first draft of the budget (print copies for each director).
- By 1 week before the November board meeting, update the budget based on feedback from the October board meeting and any subsequent emails and submit the 2nd draft of the budget
- At the November board meeting, review the 2nd draft of the budget (print copies for each director).
- At the end of the Strategic planning meeting (during the chapter round table review), ask the directors for any desired budgetary changes based on their discussions with their peers from other chapters.
- Update the budget based on feedback from the November board meeting and from the strategic planning meeting. Submit the revised budget to the directors before the December board meeting.
- At the December board meeting, ask for final approval of the budget. If changes are required, update the budget for approval at the January board meeting.
- Enter new budget into Quicken or make changes as needed.

Banking Responsibilities:

SV FPA accounts are currently maintained at Wells Fargo.

Contact Person: TBD

Address: 590 Castro Street, Mt. View, CA 94041

Phone: 650-210-2020

Fax: 650-961-1024

Business Customer Service: 800-225-5935 (24 hour)

Email: TBD

- Only the Treasurer and the President are signers on all of the accounts. ED is an authorized user on the checking account only. All signers, including ED, have ATM cards but only ED uses her card. ED holds the checkbook.
- If a change needs to be made to the signers on an account, contact WF's branch to let them know a change needs to be made. Ask them to prepare the forms for you to sign. Make an appointment to sign the forms and have the new signers go with you to be added to the account.

Set up and maintain online banking system

- Current bank is Wells Fargo Bank with 4 accounts:
 - Operating Funds: Checking and Savings
 - High Yield Savings – For Reserves and excess cash
- Current reserve policy is to hold about 50% of our operating budget and \$10,000 to cover current liabilities. This amount is set as of January 1st each year according to final budget.
- Alerts should be set up for the checking and savings accounts to provide notification to the Treasurer:
 - When a deposit or direct deposit has been posted to the account
 - When checks or withdrawals are posted to the account
 - Of what the account balance is each week
 - When the checking account balance falls below \$10,000
 - Of changes to the password or user id for the online system
- Delivery method for statements should be set to online only
- Ensure that a balance of \$10,000 is maintained in the checking account to cover bills
- Cash over \$10,000 should be moved to high-yield account
- Review the monthly online statement
- If necessary, transfer money from the savings/high-yield account to the checking account

Monitor income and expenses each month and report any unusual amounts at the board meetings

- At least once a month, download transactions into Quicken
- Categorize the income and expenses into the appropriate budget categories.

- Compare the income and expenses actually paid to the expected Accounts Payables and Accounts Receivables as outlined in the due dates document provided by the ED. If any items are missing, work with the ED to get the payments entered or the deposits made.
- Run monthly financial statements from Quicken before each board meeting. The reports are:
 - Budget to Actual (Year-to-date comparison)
 - Income and Expenses by Category
 - Budget to Actual (Full year comparison)
- Review these reports for any activity that is significantly over or under budget that might lead to a budget shortfall.
- Report this activity at the next board meeting (on the consent agenda) and ask for corrective action and/or approval to exceed the budget parameters for that activity
- Once every quarter, provide the budget vs. actual reports to the board members
- Monitor bank balances each month and report on current balances at the board meetings
- Review alerts from online banking system
- Report on current balances as part of the normal Treasurer's report at the board meetings

Bill Payments

- In general, all payments run through ED for payment. She reviews and either writes a check or pays via bill pay at wells Fargo.com
- ED holds the operating account checkbook and has the signing authority on the checking account
- ED has an ATM visa/check card attached to the savings account
- Treasurer and President have signing authority on all accounts; as well as an ATM visa/check card which we discourage them to use unless necessary
- Treasurer keeps files of paid bills
- ED uploads all the invoices in Dropbox or a commonly agreed shared area
- ED maintains a spreadsheet of deposits made. Treasurer should review this information.

Approve and sign checks for manual processing

- Review supporting documentation as provided by the ED for any bill that needs to be paid manually
- Review the check set up by the ED to determine if the amount matches the supporting documentation.
- If ok, sign the check and return to the ED for processing.

Online payments

- Online payments are set up and made by ED. Treasurer should review these payments periodically.

Taxes and Insurance:

FPA Chapter Insurance

FPA National handles FPA Chapter Officer & Director Liability Insurance. Cost is \$145/year. This insurance covers board members scandalous behaviors; run off of funds, assault, etc. Copy of this coverage can be found under: <http://fpanet.org/Connect/Chapters/ChapterAdministrationTools/Finance>. Click on the link 2012-2013 under "Insurance" for Chapter Officer and Director Insurance Policy.

We arrange each year for Hartford Business Owners Policy. Cost is approximately \$500/year. This policy covers liabilities for slips and falls at board meetings or events.

Taxes

The **TIN** for FPA is **#77-0381724**

FPA files an annual tax return. Kent Noard files the tax returns on behalf of the Chapter. Contact Kent Noard in February 408-865-6691 kent@klng.com. Supply the following reports to Kent:

- Balance Sheet report
- Profit and loss report
- Amount paid to Executive Director (services only, do not include reimbursements)
- 1099 for interest earned on bank accounts

Form 990 is required to be filed by any chapter who has gross receipts greater than \$25k; due date is May 15.

Tax Return is signed by the Treasurer.

IRS Reporting Requirements for FPA Chapters

The basics a treasurer needs to know

Form 990

- The IRS requires all FPA chapters, whose gross receipts are more than \$25,000 per year to file form 990.
- The IRS suggests that even if your gross receipts are under the \$25,000 limit **and** you are mailed a form 900 from the IRS, you should still file the form by simply checking the appropriate box to indicate your gross receipts are normally under \$25,000 and sign the form.
- Due date of form 990 is the 15th day of the fifth month after the end of your annual accounting period.
- For chapter whose gross receipts are **below** \$1,000,000, a penalty of \$20.00 per day when a return is filed late. Maximum penalty is the lesser of \$10,000 or 5 percent of the Chapters gross receipts.

- For chapter whose gross receipts are **above** \$1,000,000, a penalty of \$100.00 per day when a return is filed late. Maximum penalty is the lesser of \$50,000 or 5 percent of the Chapters gross receipts.
- All Chapters should maintain a public inspection file and keep a minimum of three years of tax returns (form 990's).

Important Note: In 2000 FPA national applied for and received a group exemption letter from the IRS that states any FPA Chapter is recognized as exempt from federal income taxes under section 501 (c) (6) of the code. This is a very tedious and lengthy application process that FPA national did for all chapters in an effort to eliminate the need (and pain) for each Chapter to go through.

The group exemption number (GEN) for all chapters is **3687** and you are required to include this number on section I of form 990.

Please note, each Chapter (like FPA national) may be subject to federal income tax under section 511 of the Code, more commonly known as “unrelated business income taxes” or UBIT. See below for further information and requirements.

Form 990- T (Exempt Organization Business Income Tax Return)

- Each Chapter may be required to file form 990 – T as well. Same due dates apply to this form as the 990.
- Even though FPA and its chapters may be exempt from federal income taxes, the code has defined certain revenue generating activities by organizations like FPA and its Chapters, as “expressly unrelated to its exempt purpose” and therefore subject to taxes at normal corporate tax rates.
- Generally speaking, the types of revenues deemed “unrelated” and therefore subject to income taxes are those related to:
 - All types of **advertising income** generated during the year, less allowable expenses to generate such income.
 - **Certain types of sponsorships may be treated like advertising income** if there is an expectation that the sponsor will receive any “Substantial Return Benefit” (as defined by the IRS) or the sponsor has messages containing qualitative or comparative language; price information or other indications of savings or value; an endorsement of a product by a Chapter; or an inducement to purchase. Keep in mind there is a difference between **advertising** and **acknowledgement**. A simple acknowledgement is OK and non-taxable. Please note the IRS came up with its final regulations related to taxation of corporate sponsorships on April 25, 2002. Copies of the regulation can be obtained by calling the Chapter Relations Department.

PLEASE CONSULT WITH A TAX EXPERT IN THE AREA OF FORM 990 and 990–T and MORE SPECIFICALLY WHAT TYPE OF REVENUE(S) ARE SUBJECT TO UNRELATED BUSINESS INCOME TAX

Quicken Entries:

FPA Year End Accounting for Sponsorship Income:

You want to keep sponsorship income in the proper year for budget process. There are two categories in Quicken for recording this income.

Sponsorship Income
Sponsorship Paid in Previous Year

During the year, enter into Quicken as Sponsorship Income. After year end, reclassify the Sponsorship Income received in the previous year to the current year. Here is how to put the Sponsorship income in the correct year in Quicken:

Add up any deposits/checks we received in prior year that reflect upcoming year. In Quicken, create the following entry:

Last day of Year:

Payee: Reversal of Sponsorship Income
Category: Sponsorship Income (as payment/expense)

First day of year:

Payee: Putting Sponsorship income this year
Category: Sponsorship Income (as a deposit)

123 signup (payments for monthly meetings):

- Credit card fee (Visa and MasterCard, no Amex) is 6% or \$1, whichever is greater
- They maintain a rolling reserve of 10% of the funds collected each month for 3 months to allow for refunds and charge backs. They are returned 3 months after the event.

How to post checks received from 123 signup in quicken:

- Write date deposited at top of statement
- Summarize the following:
 - “meeting income” is the sum of “Total Revenue Collection” and “Refunds”
 - “Credit Card Reserves” (Programs) is the sum of “Rolling Reserve payback” and “Rolling Reserves”, usually a negative.
 - “Credit Card fee” (Programs) is the sum of “123 Signup Service Fee” and “Credit Card Processing Fee”, a negative.

Deposits from National (our member reimbursements):

We get the check way before we get the backup. You will need to follow up with ED to get the report, it comes in the mail.

Consists of three parts:

1. Member reimbursement: classified as new or renewal. Students or not. As of 2011 we no longer track student membership separately.
2. Assessment: A flat add-on fee that each member pays. This gets passed on to SV-FPA.
3. Corporate: Special payments or deductions, such as adjustments to previous member reimbursements, FPA insurance, etc. Very infrequent.

Other Information:

Helpful Reports

- Itemized Categories: shows all transactions by categories. Helpful for seeing if an item is not posted to a category from a download or in the wrong category

Meetings:

Board Meetings and Consent Agendas/Quarterly Reports

Executive Committee Meetings

Budget Meeting

Strategic Planning Meeting

Budget Process

At end, update quicken budget/create new one for New Year

Deactivate old categories so you don't use by accident