



Auditing Your Books: It Just Makes ‘Cents’

Contributed by Ember D. Krumwied, CRM, CP

Serving as the chapter treasurer was one of the very first positions I held when I first joined the Puget Sound Chapter. I remember sitting in my living room after a chapter meeting carefully counting the cash received, tallying the checks, and verifying credit card receipts. These numbers, along with the number of attendees and the amount of special revenue received at the meeting, were dutifully entered into our meeting spreadsheet and into our chapter’s accounting software. There was something satisfying when all balanced on the first attempt!

Despite my diligence, I was grateful for the oversight and review I knew our books would receive at the end of each year. This process, known in the Puget Sound Chapter as the financial self-assessment, was conducted in preparation for filing our chapter’s Internal Revenue Service 990 form (which, thankfully, is now a much simpler process) and to provide visibility into and accountability for the handling of chapter finances.

Conducting a financial self-assessment can provide valuable information regarding the vitality and financial stability of your chapter. I’ve heard it said that “numbers don’t lie,” and where can you find more numbers than in your chapter’s accounts? These numbers can inform you which meetings were more successful, which venues cost the most, and which causes your chapter members support.

In my personal opinion, a successful assessment begins with the following items:

- A good budget – A budget breaks down your chapter’s various activities and functions, and throughout the year, expenses and revenues are “booked,” or logged, against them.
- Meeting/event attendance sheets – These sheets, which are prepared for each meeting or event, should log who attended, the registration fee paid, and the form of payment. The sheet the Puget Sound Chapter used also logged any additional revenue received from special events (e.g., community service project donations).
- Disbursement request forms. Whenever monies are to be paid out of a chapter account, a request form is completed, noting the payee, the amount to be paid, and which budget item it references. It requires the signatures of the requestor and two members of the board of directors (BOD).

During my tenure as treasurer, the items above, along with our chapter’s checkbook (electronic) and account statements, were forwarded to the Financial Self-Assessment Committee. This committee was made up of at least two, but preferably three, chapter members who were not on the BOD. They were instructed to verify that the items listed above all balanced and were entered correctly across the various systems and that the disbursement form had the two required BOD signatures. We also asked them to suggest improvements for the accounting system and the self-assessment process.



Chapter Connection

By opening your books to verification, you can create visibility for your chapter members, possibly catch accounting errors, and gain a better sense, I mean “cents,” of your chapter’s financial stability. Use the resources on the Chapter Operations e-Handbook site if you need some help to get started or to improve your treasury procedures.