

Conducting an Annual Financial Review for your ARMA Chapter

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The Mile-High Denver Chapter of ARMA conducts a financial review every year to validate the financial processes utilized and to assess the overall financial status and growth of the chapter. Unlike a financial audit where the concern focuses on the financial statements only, a financial review is also concerned with the development and growth of the chapter. The financial review is outlined below explaining The Players, The Process, and The Product.

The Players:

Although the positions will vary within your chapter, the Mile-High Denver Chapter utilizes the position of treasurer to spearhead and coordinate the annual financial review. The treasurer keeps all of the financial records for the chapter and sets up the meeting to conduct the review of the previous chapter year sometime in July or August of the current year. The chairman of the board, president, president elect and/or vice president are asked to participate with the review. Additionally, two non-board members are chosen to participate with the review. The Mile-High Denver Chapter seems to have new board members each year, so we utilize the new incoming board members to assist with the review for the previous year as they were regular members the year before.

The Process:

The process, as identified in the steps below, is very thorough, covering every transaction that involves the chapter. Using the chapter's monthly treasurer's reports, income forms, bank statements, PayPal information, ARMA chapter escrow reports, and other detailed backup material, an evaluation of expenses and income for the previous chapter year is tracked from receipt to payment or deposit.

1. All treasurer reports, income forms, bank statements, disbursement authorization forms, and PayPal screenshots are correlated and examined by month.
2. Each monthly folder is reviewed and reconciled by at least two people. The transactions are reviewed line item by line item, receipts and detailed documentation are verified, and the transaction is verified on the bank statement.
3. Once a transaction is identified and reviewed, a checkmark and initials are placed next to the transaction to indicate that the transaction is verified.
4. All treasurer reports and income forms are verified for completeness, accuracy, and signatures or initials by authorized board members.
5. Receipts and disbursement authorization forms are verified for completeness, accuracy, and signatures by authorized board members.
6. Any missing information is verified and recorded appropriately for each month.
7. Issues and discrepancies are investigated and resolved by the acting treasurer.

The Product:

Once any issues and discrepancies are resolved, the treasurer prepares a draft report which includes all of the findings during the review. The report is then reviewed and finalized by the

group, and each board member who participated in the review process signs the report. The report is filed with the other financial records for the chapter year.

By completing a financial review regularly, you can catch accounting mistakes and make any necessary corrections. The report that is produced gives your chapter a better idea of where it stands financially and identifies if any budgeting corrections need to be made for the next chapter year. It also assists your board members to plan accordingly for the next chapter year.