

# CHADD Chapter Financial Policy

Updated per CHADD BOD approval May 10, 2019

## Purpose:

- A. In order to protect the integrity of the organization and any single individual.
- B. To ensure that Chapters conduct financial affairs using methods which:
  - a. Utilize sound principles of financial accountability
  - b. Are similar in format and requirements.
  - c. Document the financial concerns of the Chapter
  - d. Facilitate the process by which CHADD auditors reflect Chapter revenue and expenses in financial statements.

## Policy:

- A. Each chapter must establish a checking account with a local bank in the name of "CHADD, Inc. d/b/a \_\_\_\_\_ CHADD Chapter"
  - a. The National Office must be made aware of the bank name, address and account number immediately, any time the name changes
  - b. A minimum of two people must be on the signature card, including the members from the Chapter executive board
  - c. A chapter can elect to have National oversee a checking account should they chose to have one. Revenue sources would be delivered to National to put in Chapter's name. Money needed for expenses would require a receipt/invoice given to National.
  - d. All Chapter checks require two signatures which are the ones on the signature card.
  - e. Each Chapter shall forward one check, signed by an authorized signatory to the National Office within thirty days of establishing the checking account. This check shall be used to disburse funds in the event of termination of the Chapter. This check shall be used to debit the account in the event of the termination of the Chapter.
  - f. No officer, director or member shall use any funds collected by or through the Chapter for personal use other than for reimbursement of expenditures made on behalf of the Chapter, with the knowledge and approval of the officers of the Chapter.
- B. Contracts
  - a. No Chapter Officer, director or member shall enter into a contractual agreement involving a loan of money to the Chapter or to any member for any reason.

- b. No Chapter may enter into any contract that exceeds the amount of funds a Chapter has available in its account. It should be understood that Chapters may not enter into any contract beyond their ability pay.
- c. It is understood that bills/invoices are sometimes larger than what individuals from chapters can pay. As a result, Chapters must have permission from National, to open a charge card/debit card under their Chapter's name. All bank cards should have a credit limit of \$2000 and have sufficient funds in their accounts to cover expenses.
- d. If bills are paid online or by automatic deduction, they must be clearly reflected on the Bank statement
- e. If a chapter has its own checking account, a member of the Chapter's executive Board must check bank balances online weekly to assure no misuse of funds has occurred. Misuse of funds must be reported to National immediately.
- f. If a Chapter hires an independent contractor the Coordinator must notify CHADD and provide a W9 filled out within 30 days on employment. Failure to provide the W9 will lead to fees imposed by the IRS and must be paid to CHADD.

C. Financial Record Keeping and Reporting

- a. The chapter must prepare and submit a quarterly financial report to CHADD using the **standards accounting forms** provided by CHADD for this purpose.
- b. The quarterly financial report can be sent to National electronically or can be provided with a hard copy.
- c. Revenue collected during the quarter must include proof of deposit and expenditures must include valid receipts including disbursements made to Chapter officers, members or directors.
- d. Member rebate checks will not be mailed until after quarterly reports are received by the National office.
- e. A maximum of two prior quarters will be retroactively reimbursed upon receipt of late reports. No reimbursement will occur until all late reports are submitted.
- f. Lobbying Reporting – Chapters shall not incur lobbying expenses.
- g. Quarterly reports shall be due by the 30<sup>th</sup> of each month following the quarters ending in September, December, March and June of each year. Checks will go out the 20<sup>th</sup> of the following month.
  - i. In addition, the Chapter must forward to CHADD monthly bank statements for each quarter, at the time of submitting the quarterly financial report.
  - ii. An officer of the Chapter needs to be responsible for assuring that the quarterly financial report is accurately prepared and submitted to CHADD in a timely fashion.

iii. **Timeline for reporting financial forms (Form A, B and C) are as follows:**

1. July 1-Sept. 30 Due on Oct. 30 check mailed on Nov. 30
2. Oct. 1-Dec. 31 Due on Jan. 30 check mailed on Feb. 20
3. Jan. 1-Mar. 31 Due on April 30 check mailed on May 20
4. April 1-June 30 Due on July 30 check mailed on Aug. 20

- h. It is requested that the Chapter cash all dues reimbursement checks within sixty days of receipt. Chapters must cash the reimbursement check within six months from the date of postmark. A reminder will be sent to the Chapter at three months and again at five months if the check has not been cashed.
- i. If the Chapter has a checking account, the Chapter must issue the financial report required in this paragraph even if the Chapter has no financial activity during the relevant reporting period. **However, if the chapter has a checking balance under \$500 and less than \$100 activity during the quarter, only the three monthly bank statements are required; forms A, B & C need not be submitted due to the accounting principle of materiality.**
- j. At the end of the fiscal year, each Chapter must submit to CHADD National a written inventory with approximate value any equipment in access of \$50.00 that has been purchased with CHADD funds.
- k. Chapter compliance with financial record keeping and reporting requirements is critical to the continued viability of CHADD's tax-exempt status under which all Chapters operate. Failure to comply with any financial record keeping, reporting or other requirements established by CHADD shall cause CHADD to withhold all monies owed to the Chapter and shall be ground for termination of a Chapter's affiliation.
- l. Financial records will be maintained by the CHADD National Office for 7 years in compliance of CHADD's yearly audit.

D. State Business Qualification

- a. Each Chapter will obtain all necessary documents such as certifications, exempt numbers, licenses and/or permits for the sale of such things as books and videos.
  - i. Chapters are permitted to sell items as fundraising measure provided they are being sold for educational purposes under tax-exempt status.
  - ii. Requirements vary from state to state. Check with your state Tax Division or Revenue Department for particular requirements.
  - iii. Chapters fall under the National 501(3)(c) designation and as such separate incorporation is unnecessary and at the discretion of CHADD.-
  - iv. Chapters can apply for grants using National's 501(c)(3) designation for the purpose of obtaining professional development,

equipment or services to enhance the workings of their chapter. A grant is not to be used to pay for any salaries or promote materials that are not endorsed by CHADD. Chapters will need to follow all guidelines and mandates of an acquired grant and are responsible for carrying out the goals of any secured grants.

- E. Procedures: Should a chapter have its own checking account; the following forms will be submitted quarterly using the guidelines outlined in Cgiii. They can be submitted electronically or mailed in hard copies. If a specific chapter elects to have National oversee their revenue and expenses, the quarterly reports will not be required.
  - a. Schedule of Cash Receipts – Form A
    - i. Document all money received and deposited in your Chapters account during the quarter specified.
    - ii. Categorize deposits according to type:
      - 1. Reimburse dues from National
      - 2. Donations
      - 3. Grants
      - 4. Money received from advertising
      - 5. Other
  - b. Schedule of Cash Disbursements – Form B
    - i. Document all checks written during the quarter specified with dates, check number and check amount
    - ii. Receipts must accompany form
    - iii. Categorize entries by expense type.
      - 1. Bank charges
      - 2. Educational materials
      - 3. Office expenses
      - 4. Phone
      - 5. Postage
      - 6. Travel
      - 7. Other
  - c. Bank Reconciliation Form – Form C
    - i. Form is used by auditors to produce an annual financial statement at the close of each fiscal year. (June 30<sup>th</sup>)