

SAMPLE CHAPTER FINANCIAL POLICY

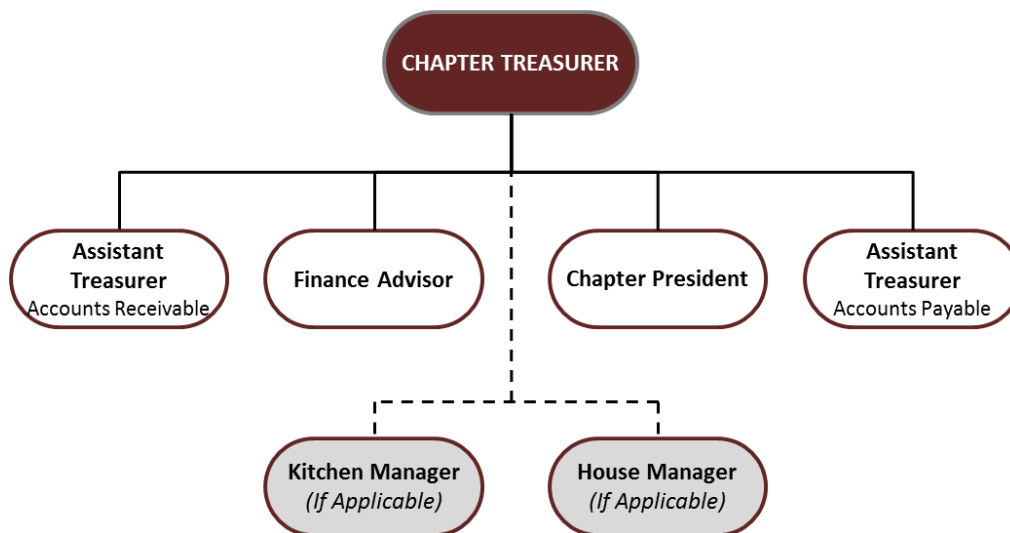
From time to time, chapter treasurers have problems with the billing and collection of accounts because the chapter bylaws do not provide a specific policy statement on the proper procedures. The following is a sample of a policy that could be adopted in every chapter's bylaws:

ARTICLE X: Finances

Section 1. Finance Committee: The finance committee shall be responsible for the financial welfare and security of the chapter. It shall meet not less than once every month during the school year. If any officer entrusted with the spending of funds sees that his expenses are going to exceed the money allotted, he shall at once place the matter before the committee.

A. Finance Committee Structure

The treasurer will serve as chairman of the committee. The rest of the committee will be composed of the assistant treasurer of accounts payable, assistant treasurer of accounts receivable, president, finance advisor and house manager (if applicable).



The finance committee shall be tasked to oversee the financial well-being of the chapter. They shall meet, at minimum, once a month to review all financial reports, income and expenses the chapter incurs. The treasurer may call a committee meeting at any time deemed necessary outside of the normally scheduled meetings.

Section 2. Depository of Funds: All chapter funds will be deposited into the OmegaFi Vault account. Dues collected through methods other than OmegaFi will be deposited into the **Omicron Omicron** Vault account at the end of every week.

Section 3. International Fraternity Assessments: *Omicron Omicron* Chapter shall remain current on all assessments billed to the chapter from the International Fraternity. The assessment, amount due and due date are:

A. Fall

- a. Liability Protection Program (LPP) September 1st:
 - Chapter size < 60: \$3,000
 - Chapter size 60 – 90: \$3,500
 - Chapter size 90+: \$4,000
 - *Housed chapters: +\$1,000
- b. Chapter Assessment October 1st: \$1,500
- c. Per-initiate fee October 1st: \$28.75/initiated member of the chapter

B. Spring

- a. Liability Protection Program (LPP) January 1st:
 - Chapter will be billed the same amount on January 1st as they were on September 1st
- b. Chapter Assessment February 1st: \$1,500
- c. Per-Initiate fee February 1st: \$28.75/initiated member of the chapter

C. One-time Membership Fee

- a. \$290 per new member that is initiated into *Omicron Omicron* Chapter
- b. New members shall not be permitted to proceed with the initiation process unless one-time membership fee is paid in full
- c. One-time membership fee, once collected, will be kept separated from the rest of the operating funds of the chapter in order to be used at such time as it is required
- d. Due five (5) days prior to scheduled initiation

Section 3. Financial Records: The treasurer shall keep a set of books, computer programs, and such other records as are necessary to give a complete written record of all financial transactions. These records shall be audited at the close of his term of office and reviewed during each finance committee meeting.

Section 4. Fiscal Year Defined: The fiscal year is defined to be the twelve-month period from July 1st of each year through June 30th of the next year.

Section 5. Bills, When and Where Payable: All dues and assessments due to *Omicron Omicron* Chapter, are due and payable to *Omicron Omicron* Chapter by the second chapter meeting of the semester.

Section 6. Dues: Dues shall be paid as follows:

Member Type	Amount Charged	Due Date
Initiate	\$550	Second chapter meeting of each semester

New Member	\$500 – Dues \$290 – One-time Membership Fee	Third chapter meeting of each semester
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Section 7. Parlor Fee: For all members of *Omicron Omicron* Chapter who do not live, and pay rent for, the recognized chapter house, a parlor fee of \$100 will be charged per semester in addition to the dues listed above. Parlor fees only apply to an officially recognized PIKE Chapter House.

Section 8. Room Rent: Members who live in the chapter house must abide by the rules and policies stated in each lease agreement. Failure to comply with these policies may result in the members eviction from the property. Financial delinquency and/or conduct issues, as stated in the lease agreement, may also be grounds for eviction from the property. Members who do not live in the house will be required to pay a parlor fee as stated in Section 7 of these bylaws.

- A. Funds collected from members intended for monthly rent and housing related expenses will not be used for any other purpose, i.e. for chapter operations. Finances for housing and operations will be kept separate.

Section 9. Financial Delinquent Accounts:

- A. Definition: any member (initiate, new member, or alumnus) who has an outstanding balance and has not signed a payment plan contract with the chapter as of the second chapter meeting of each semester, or any member who defaults on his payment plan.
- B. Financial policy: Entire semester (or quarter) dues are due at the first chapter meeting of the school term. If the member does not pay and a payment plan contract has not been signed, a 10% fine will be assessed to the balance owed. If not paid by the second chapter meeting, the member will be considered financially delinquent.
- C. Steps taken on delinquent accounts:
 - a. The delinquent member’s name will be announced, along with his outstanding balance, during the second chapter meeting. If the member is not present at the second chapter meeting, reasonable effort will be made in the following week to notify him of his delinquency. When contacted, arrangements will be made to collect payment or to set up a payment plan contract. If full payment is not made or a contract not signed, the chapter treasurer may take any of the following actions:
 - i. Athletic probation (to be used if applicable for member in question)
 - ii. Social probation
 - iii. Up to 45-day suspension from all Fraternity related activities (as stated in the *Constitution & Codes*)

The above is intended to provide the chapter with general information and suggestions for improvement. It is not a directive and is not intended to direct the chapter in any manner. A chapter is not required to use or implement this information or suggestions. The decision on whether or how to use this information is solely that of the chapter.

- iv. Complete Delinquent Account Report Form to send the account to the International Fraternity Headquarters
 - 1. This results in a notice sent to the delinquent member giving notification that if the balance is not paid in 30-days, the member will be expelled
- v. Expulsion from the Fraternity by the chapter or through the International Fraternity
- vi. Collections agency

Section 10. Collections: Following the procedure listed in Section 9, a member of **Omicron Omicron** Chapter may have his account referred to a collections agency in order to collect outstanding payments.

A. Collections Referral

a) A member may be referred to the collections agency when he has failed to make a payment after receiving a delinquent account notice form from the International Fraternity. The treasurer will provide the member in question with a 30-day notice of impending referral to a collections agency. The finance committee shall recommend proceedings for referring members for collections to the executive board who will be tasked with making the final decision.

Section 11. Payment Plans: The treasurer will have discretion for creating payment plans with individuals within **Omicron Omicron** Chapter. Payment plans shall only be offered to those that present a financial need for an extension. The treasurer shall meet with those members requiring a payment plan to verify the legitimacy to the request. All payment plans may be customizable. Plans shall not last more than one semester.

Section 12. Assessments: An assessment may be passed at any chapter meeting by an affirmative vote of two-thirds of the members present. An assessment shall be paid by each member including new members.

- A. **Omicron Omicron** Chapter's executive board shall have the authority to raise chapter dues by no more than 5% unless a 2/3rd affirmation vote is conducted by the chapter

Section 13. Good Standing: A member whom has paid their full balance owed to **Omicron Omicron** Chapter shall be considered a member in good standing. At time of billing semester dues, a member may remain in good standing so long as the billed dues are paid within 30-days of being assessed. Any member not in good standing shall be subject to the delinquent account procedure outlined in Section 10.

Section 14. Budget: The chapter must approve a budget for each semester. The proposed budget shall be tabled for one chapter meeting before it is voted on. The finance committee, in

conjunction with the executive board, will develop a budget to present to the chapter for 2/3rd vote of affirmation in order to be approved. The treasurer shall utilize the finance committee members to keep the budget current as the semester progresses. The budget shall be reviewed at every finance committee meeting.

Section 15. IRS: *Omicron Omicron* Chapter shall remain in good standing with the IRS and file all required IRS documents annually.

A. IRS annual filing deadline is November 15th

B. Tax deductibility of donations

a) ***Omicron Omicron*** Chapter is not eligible to provide tax deductible receipts to individuals or companies for donating funds to the chapter.

Section 16. Expenses Incurred: No chapter funds shall go towards the purchase or procurement of alcohol or any other illegal substances

Section 17. Reimbursement: In order to be reimbursed for an incurred expense, a member must fill out a check requisition form. The application can be found online under the officer resources page of www.pikes.org and must be filled out in entirety to be accepted. Once the application is received, the treasurer will do one of the following:

A. If the member has a balance at the time of purchase, then the amount will be credited to the member's account, causing a decrease in the balance.

B. If the member does not have a balance at the time of purchase, then the amount will be credited to the member's account, creating a negative balance to said member's account. Should this occur, the treasurer will be responsible for reimbursement by check to said member.