

Getting Started

Congratulations on your election as the vice president of finance (VPF) for your chapter! Most activities a chapter undertakes will require a financial investment. A chapter must wisely invest time and money to support the chapter's current priorities and the values of the chapter and SigEp. This creates the best possible SigEp experience. Your brothers have entrusted you with the financial side of that.

Sound financial operations make the experience more enjoyable for the members. Chapters that manage their finances appropriately can do more, and members feel more comfortable about where their dues are going. When good finances are in place, the chapter runs smoothly. Vice presidents and committees can provide great programming and development activities for the membership, the chapter is enabled to recruit well using fun events and the Balanced Man Scholarship, and when unexpected expenses arise, the chapter can deal with them smoothly, without significant negative effects on operations. One of the largest benefits of sound financial operations comes from collections and reporting. When all members pay their bills early and in full it promotes a culture of accountability that spills into other areas of chapter operations. Members attend events, participate in development programs, and have a better understanding of the importance of finances to their experience.

KEYS TO SUCCESS

UNDERSTAND YOUR KEY RESPONSIBILITIES

The responsibilities of the Vice President of Finance can be outlined succinctly in the following categories:

- **Budgeting** - Establishing a financial plan for the chapter that aligns with the current chapter's priorities and goals.

- **Collecting** - Ensuring that dues and other fees are paid to the chapter in a timely manner so that the chapter has the financial resources to conduct its operations.
- **Controlling** - Establishing / upholding practices and policies that ensure sound and secure management of the chapter's finances.
- **Reporting** - Clear and consistent communication of financial position to the chapter, alumni and volunteer corporation (AVC) and regular filing with the IRS (and, if needed, similar state authorities).

UNDERSTAND YOUR KEY DELIVERABLES

These responsibilities take a more tangible form in four key deliverables. There are samples of all deliverables and much other helpful material on the **vice president of finance resource page**:

- **Annual Budget** - Establishing a financial plan for the chapter that is aligned with the current chapter's priorities and goals. Each chapter needs a plan for its time (calendar) and money (budget) that aligns with current chapter priorities and goals. Many chapters have a 3% annual increase in dues in the chapter bylaws to avoid large increases all at once. Obviously, your income and expected expenses must balance or build your chapter's savings. Your role starts with understanding the existing budget or creating a budget if there isn't one.
- **Monthly Financial Report** - Not everything goes as planned, so AVC directors and chapter officers need to monitor actual spending vs. the budget and accounts receivable. It is important that the financial reports are reconciled monthly with the bank statements.
- **Annual Tax Returns** - Being a tax-exempt entity is a privilege, not a right. There are mandatory requirements. **ALL** chapters and AVCs must file SEPARATE IRS Form 990 tax returns annually and, in many states, similar state forms.
- **Annual Financial Review** - We need to be transparent about our finances and how we manage and secure them. You'll work with a

volunteer to provide a clean and clear summary of finances as your time in office draws to a close.

KNOW YOUR AUDIENCES

In your role as an executive officer, you will have the opportunity to interact with many different “audiences.”

- **Chapter Members** - Chapter members play a crucial role in the chapter’s finances; they are the main source of revenue for the chapter. They are also the chapter’s “customers” and need at least a high-level understanding as to where their dues are spent.
- **Executive Board** - The VPF should provide weekly updates on the financial status of the chapter to the chapter’s executive board. Additionally, the VPF works with each officer prior to the beginning of each academic year to set the annual chapter budget. You’ll help the other members of the executive board achieve their goals and they will help you as well. The executive board operates as a team.
- **Mentor for Finance** - The mentor is a volunteer who supports the VPF via weekly meetings. The mentor and VPF should discuss all aspects of the chapter’s finances. The mentor should also assist with reviewing the four key deliverables.
- **Alumni and Volunteer Corporation** - The AVC is an independent corporation supporting the activities of the undergraduate chapter in four major areas: alumni cultivation, undergraduate mentoring, corporate health and asset management. The VPF provides a monthly financial report to the AVC. The AVC treasurer is responsible for all the financial operations of the AVC. The VPF and the AVC treasurer may need to collaborate on events, paying expenses related to housing or other items. The AVC has no authority over the governance of the undergraduate chapter except when it comes to finance. Because the VPF is such a crucial role to the survival of the chapter, the AVC can remove the VPF for failure to perform his duties (*Grand Chapter Bylaws, Article V, Section 35*).

- **Parents of Chapter Members (and Prospective Members)** - Many parents engage in the lives and decisions of their children. Parents may want an understanding of how dues are being spent. They may even be paying the dues themselves. For this reason, it is important that the VPF has a clear explanation of the chapter's finances to be able to answer questions and equip members to speak to their parents about the financial expectations of membership and what they get in return.
- **Headquarters Staff & National Volunteers** - The Headquarters staff, particularly the regional directors (RDs), support undergraduate chapter operations and can be a consultant to all areas of operations, including finance. The VPF should share the four key deliverables with the RD or other staff members so they can provide guidance and support to the chapter. There is also a **financial consultant at SigEp Headquarters** and national volunteers who may be able to help you.

CREATE YOUR COMMITTEE

Serving as the chapter's chief financial officer and managing the responsibilities of that role is best when done collaboratively. One of your first steps as the VPF should be to appoint a finance committee. An important aspect of the committee is that it becomes a pool for future VPFs. It is not enough to just get the chapter through your term. You also need to set the chapter up for continued financial success after you leave office.

Think about your chapter's current structure for the finance committee and compare it to the ideal. Larger chapters may need larger committees. Smaller chapters may want to combine some roles, but even smaller chapters should have at least a second set of eyes on the finances. If you take the time to fill your committee and define the roles of each member early, it will pay off throughout the remainder of your time as the VPF and beyond.

Suggested roles of committee members:

Collections Chairman

The collections chairman is responsible for the management of the income side of the budget. This includes:

- Collecting dues (and rent/parlor fees if housed) and managing late fines.
- Managing and enforcing the 30/60 policy.
- Managing all payment plans.
- Providing weekly collections reports to the VPF.

Expenses Chairman

The expenses chairman is responsible for the management of the expense side of the budget. This includes:

- Collecting and filing receipts for all purchases.
- Working with the vice presidents so that each remain within their budget.
- Managing expenses and reimbursement requests.
- Providing weekly expense reports to the VPF.

Reporting Chairman

The reporting chairman drafts each of the four key deliverables as outlined above.

House Manager (for housed chapters only)

The house manager is responsible for the maintenance and upkeep of the chapter facility from the undergraduate standpoint. This role will work closely with the AVC to ensure a safe and productive environment is maintained.

Responsibilities include:

- Work closely with the AVC and/or property manager to ensure the house is kept clean and safe.

- Facilitate any cleaning or upkeep duties by members or third-party services.
- Provide a record of damages or necessary repairs to the AVC or other relevant group.
- Coordinate necessary repairs with the AVC and/or property manager.
- Work with the AVC or other party to ensure the facility is occupied at capacity.

Kitchen Manager (for housed chapters only)

The kitchen manager works with the house manager, AVC and food service professionals to ensure that meals offered through the chapter facility are healthy and regularly available. Their responsibilities include:

- Work with the AVC and VPF to ensure that there is a budget for meals and the food service provider follows that budget.
- If applicable, ensure that the kitchen is kept clean and stocked if that is a responsibility of the chapter.
- Ensures the menu aligns with the ideals of Sound Mind and Sound Body.

FIRST STEPS

Below is a list of the first steps a VPF should take. They do not have to be completed in this exact order, but all should be done in a timely manner after being elected.

1. Attend the officer transition retreat.
2. Review the chapter's current financial documents including the annual budget, invoices and statements (*including any past due amounts*) with HQ, monthly financial reports, annual tax filings, annual financial review, bank statements, etc. From there, you'll learn important information such as your Federal Tax ID (aka "EIN"), your chapter's fiscal year-end, your chapter's legal name,

etc. You will find many of these in the chapter's [mySigEp](#) Financial Dashboard.

3. Review the current budget carefully. Work with your predecessor and/or mentor to create one if it is not already done.
4. Get a detailed record of any current payment plans, any contracts that include future financial obligations, and any other financial situations that are not captured in the budget or other financial documents. Some of this may be in the annual financial review completed by your predecessor.
5. Gain access to any online accounts or tools used by the previous VPF.
6. Get yourself added as a signer/administrator on the chapter's bank account and get the prior officers removed. This will likely need to be done with the incoming and outgoing signers. (It is unwise to have a single signer on the chapter's accounts. Typically, the president and mentor for finance are also signers.)
7. Become familiar with [mySigEp.org](#) where you'll find and pay bills from Headquarters and [vice president of finance resource page](#).
8. Reach out to your mentor for finance and establish a regular meeting schedule.
9. Appoint the finance committee and set a weekly meeting time with your committee. Ensure the committee understands expectations for their given position.
10. Read [SigEp Member Safety policies](#) and your university's Risk Management Policies.
11. Send out bills for the upcoming term. The best practice is to send them out 30 days in advance of the due date, and to have that due date be the first chapter meeting of each term.
12. Make sure you have signed membership agreements from all members.
13. Understand what savings the chapter has for a "rainy day." If there are none, make a plan to address that.
14. Ask your mentor, RD, or SigEp's finance consultant for help if you have any questions.

CONCLUSION

The role of the VPF is one of the most crucial for successful chapter operations. When done well it can lead to invaluable leadership skills building and satisfaction through providing brothers with an exceptional fraternity experience. To be successful you must stay organized, plan in advance, select a strong committee and work effectively with them, and ensure that the chapter's finances align with and support activities and priorities in alignment with the Fraternity's values. You are the chapter's chief financial officer, much more than just a record keeper. It's up to you to ensure the chapter spends money on what matters most.