



SHRMTM

SOCIETY FOR HUMAN
RESOURCE MANAGEMENT

SHRM Small Chapter Webinar

Host: Shelly Trent, SPHR, SHRM Field Services Director

- SHRM Leadership Conference – November 18th – 20th
 - > Agenda online at www.shrm.org/conferences/leadership
- *VLRC being updated – we want your input, so go to the VLRC at www.shrm.org/vlrc or the SHRM Connect Group and look for Volunteer Feedback on the VLRC.*
- *Annual conference registration open: Volunteer Leader Discounted Registration Rate - \$1,070 if you register by April 15, 2011*
 - > You should have received a recent email about this offer

Welcome to part two of chapter governance! This webinar is all about finances and how to properly handle money.

SHRM Chapter Governance Finance

Clare Novak

Fiduciary Responsibility

- Legally, all board members have fiduciary responsibility—legal responsibility for the use of members' money
- Members have the legal right to proper use of funds, proper documentation, freedom from fraud or theft and being informed regarding finances

Fiduciary Responsibility

- Incorporated chapters can get Directors and Officers and/or Errors and Omissions insurance
- Unincorporated chapters cannot and therefore all members are legally responsible for the proper handling of funds and share liability for any lawsuits

Fiduciary Responsibility

- Money handling procedures
 - Have written processes for:
 - Paypal
 - Money transfers
 - Writing checks/drafts
 - Refunds
 - Cash handling
 - When dual signatures are necessary
 - Reconciling your accounts monthly

Fiduciary Responsibility

- Watching income and expense trends
 - Is the chapter in the black?
 - What produces income? Is the trend for those things up or down?
 - What are expenses? Which are going up and which down?
 - Planning for overages and shortfall
 - Rainy day money
 - When you have too much rainy day money (IRS doesn't like it when you do)

Budget, Balance Sheet & Income Statements

Income	
Membership Dues	14,000
Dinner meetings	9,750
Workshops	2,250
Conference	3,250
Total Income	29,250

Expenses	
Website	550
Dinner meetings	13,750
Speaker Gifts	375
Conference/Workshop room/food	4,300
Administrator	7,500
Total Expenses	26,475

Fiduciary Responsibility

■ Budgets

- Zero-based budget or based on last year
- What conditions exist that would cause a significant change from the prior year?
- Monitoring income and expenses—it's not just for the finance person!
- Coach board members to be realistic in projecting both income and expenses

Fiduciary Responsibility

- Watching income and expense trends
 - Non-dues sources of income: Know which ones will keep the tax collector happy and which won't!
 - Some sources of income can be subject to income and/or sales taxes
- Professional organizations are not state sales tax exempt
- Some states require professional organizations to file income statements

IRS

- If you pay out more than \$600 to an individual or company you need to issue a 1099
- If you have less than \$25,000 in revenue you can file a Form 990-N (e-postcard)
- Between \$25,001 and \$99,999 a 990EZ
- If over \$100,000, file a 990
- These are at efile.form990.org

Questions?