

Treasurer Training

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Welcome to Treasurer Training 2024! My name is/I am.... Go around the room to introduce ourselves – please say your name, your local, whether you have any accounting/financial experience, and what do you expect to get out of this training?



OVERVIEW

Two main goals for today's interactive training:

1. Understand what is important and why.
2. Know your resources.



The approach for this training is to provide a practical guide for fulfilling the role of treasurer. By following these simple requirements for your role, you will contribute to safeguarding yourself, your local, and members money. The AEA and myself are always resources for you.



Fundamentals of the Treasurer's Role

Understanding Your Responsibility



Due Diligence

- Document, document, document.
- Complete financial processes timely.
- Ask questions when needed.



Approach your role with Due Diligence.

Merriam-Webster definition of Due Diligence: The care that a reasonable person exercises to avoid harm to other persons or their property.

How do you do this? By doing your best to ensure you have documented financial processes and implemented proper controls.

Document – things are documented through established processes or in some circumstances, there is no process established (something out of the ordinary) and in these situations, do your due diligence to write down and document dates, the circumstance, who is involved, etc.

Complete monthly financial processes like monthly reconciliations timely.

You will catch issues sooner and be able to deal with them in a reasonable time frame and before more damage can be done.

It's not just you - all elected officers for your local are responsible for the local's financials. Include them when you have questions and especially when you have concerns – you are not alone. And document what was discussed! This can be as simple as a recap email sent to the group.

Controls

- Segregation of duties
- Access to funds
- Periodic review
- Policies & Procedures



Segregation of Duties is the fundamental assertion that an individual should not be in a position to initiate, approve, and review the same action. An example of this is the person who approves an expense is not the signor or sole signor on the check for payment. How do you know who approved an expense? The approver should sign and initial the invoice or reimbursement request. The essential idea for segregation of duties is that there are multiple sets of eyes reviewing financial transactions and processes.

Ensure that bank signors are updated timely with each officer transition. Ideally, this would be part of the process for onboarding the next elected treasurer with the previous treasurer's support.

Periodic review by monthly reconciliation and annual audits is essential to meeting the basic requirements of due diligence.

How do you create systematic and consistent process for these financial requirements? Through implementing policies and procedures for financial processes. These are the guide and one of the sources of authority for taking action. Creating these source documents provides a guide for the next treasurer, ensuring consistency during times of transition.

Think like an auditor:

Can you trace a transaction forward and back with documents on file?
Is there evidence of segregation of duties (preparer/verifier)?
Are there policies & procedures that document what is required for any given process?
Has the policy & procedure been followed?
What is needed for improvement?

Getting Organized

- Retention Periods
- Tracking and Organizing Documents
- Preparation for Fiscal Year-End Processes



There are two retention periods to keep in mind:

Permanent - Source Documents, these may include:

- Employer Identification Number (EIN) notice from the IRS
- Non-Profit status letter from the IRS
- Articles of incorporation
- Local's Constitution & bylaws
- Financial Policies & Procedures

7 Years - General financial documents, these may include:

- Monthly reconciliation
- Transaction documentation/backup
- Bank Statements
- Check copies
- Annual audit reports

Whether electronic or hard-copy documents are used, it is important to organize these documents in such a way that they are easily accessible and clearly delineated for the specified time period. For example, each month of the fiscal year should have an electronic file folder or physical file/binder section for each completed monthly reconciliation,

including all backup documentation.

Organizing and tracking the required financial processes will prepare you for year-end close. With a consistent approach of documenting and retaining financial documents, you will set yourself up for a simpler and timely year-end closing, including annual internal audit preparation, 990 filing, and 1099 filing when applicable.

The fiscal year for each local may be different. And is likely defined by the district's fiscal year.



Essential Financial Processes

Understanding What is Required



Annual Budget

- Authorized spending
- Open to Revisions



The budget is the agreed upon plan for spending and is authorized by the board's vote to implement. The budget is your guide for determining if an expense is appropriate.

The budget is a plan based in a moment of time. It is meant to be revised. Revisions can occur as needed or at a prescribed juncture outlined in the local's financial policies and with board approval.

Regular Bookkeeping

- Categorizing Transactions
- Accurate Record Keeping



Categorizing transactions appropriately – ensuring deposits and expenses go to the correct budget line item and/or accounting code.

accurate recordkeeping. This means recording transactions and saving bills, invoices and receipts so you have all the data you need to run reports.

Monthly Reconciliation

- Timely Completion



You will catch issues sooner and be able to deal with them in a reasonable time frame and before more damage can be done. Share the reconciliation and bank statement with another designated officer (prepare/verifier for every process whenever possible).

A few incidents within the past year – this is how some of these can be prevented.

Annual Internal Audit

- Transparency
- Safeguarding



Perform the annual audit, always. The third-party review of financials bring transparency and credibility to your local. This is another layer of safeguarding for you, the organization, and members money. And it validates your hard work!

Fulfilling IRS Requirements

- Timely Submission
- Retain Non-Profit Status



Calendar the date for annual 990 filing – most locals will only be required to file 990N (postcard).

If you are not sure if you can meet the IRS prescribed deadline for filing your 990, request an extension.

If your local has non-profit (501c) status, this status will be revoked after three consecutive years of not filing the required 990. Now you see the importance of your work – it matters and has an impact.

Treasurer Resources

Don't Reinvent the Wheel



Resources Available to Treasurers

- ✓ Treasurer Resources available online

[AEA Treasurers | Arizona Education Association \(arizonaaea.org\)](http://arizonaaea.org)

- ✓ Discuss concerns with your fellow officers
- ✓ Reach out to your OC/AEA



Treasurer Resources are now available through the AEA website. There is a QR code in the Quick Reference Guide you received today. Please take some time to review the resources available there.

Some things to highlight:

Electronic Resources for various links to IRS webpages, AZ Secretary of State, 1099 filing, etc.

Treasurer Training Workbook – a great resource with detailed information for different processes. I would recommend opening the pdf on your computer and using the search function to locate key words for what you need,.

The NEA Guide to Best Financial Practices – this resource and the Treasurer Training Workbook include examples of essential policies and procedures and the internal audit procedure.

There are several templates available for creating a budget, expense reimbursement forms, ledger, and reconciliation worksheet.

And so much more – make this your go-to resource and bookmark it in your browser for easy access.

Remember, your fellow officers are also responsible for the local's financials, involve them

when you have questions and/or concerns. If you need further assistance, you can reach out to your local's OC for AEA support.



Q&A

Scenarios/Small Group Discussions



Let's go through a quick Q&A to review what we have talked about. After the Q&A we will breakout into small groups to go over some scenarios and then reconvene to discuss as a group.

QUESTIONS?

