

2022



■ FOR LEARNING ■ FOR LISTENING ■ FOR LIFE

# CHAPTER LEADER Onboarding Handbook and Resources



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# INTRODUCTION

First: Thank you! Your decision to take the next step in leadership and participating in your Chapter's board is a testament to the dedication you have to yourself, your career, and your profession. Our goal at ACRP is to support you during this leadership and growth journey. This handbook is just one tool in your onboarding process.

Onboarding is an ongoing learning process that begins with the recruitment and election of incoming board members and continues throughout the year. The purpose of onboarding is to ensure all Chapter board members have the knowledge, skills, and information needed to succeed as an ACRP Chapter board member. The process answers two questions:

## 1. What should you know?

- Where to find the resources available to you
- The value of membership in ACRP and your Chapter
- Chapter history and context
- Roles, responsibilities, and relationships of all Chapter board and positions
- Chapter's mission, vision, and values and why each is important
- Operational considerations and logistics for Chapter activities
- Financial management processes and tools
- Leadership and management expectations for the board
- How the Chapter and its global organization work together

## 2. What should you be able to do?

- Think and operate strategically
- Work to achieve the Chapter's vision, mission and goals while exemplifying its values
- Participate as an active and engaged board member
- Know where to look and who to reach out to for support
- Partner with other board members on projects and event planning
- Demonstrate leadership competencies to fellow board members, volunteers, and members
- Rapidly integrate into your role and fulfill your duties as a board member and leader
- Identify your strengths and areas of development as a member of a Chapter board
- Identify potential future leaders for your Chapter and the global organization

## WE'RE HERE FOR YOU!

At the ACRP HQ, we are here to support you! Please don't hesitate to reach out with any questions that you may have via one of the contact methods provided below.

### ACRP HQ:

#### **Association of Clinical Research Professionals**

610 Madison St, Suite 101-#613

Alexandria, VA 22314

703.254.8100 (phone)

email: [chapters@acrpnet.org](mailto:chapters@acrpnet.org)

website: [www.acrpnet.org](http://www.acrpnet.org)

### Chapter Support Contacts:

#### **Cassandra Merkel**

Manager, Chapter Engagement

[Cassandra.merkel@acrpnet.org](mailto:Cassandra.merkel@acrpnet.org)

#### **Christy Herz**

Director, Governance and Operations

[Christy.herz@acrpnet.org](mailto:Christy.herz@acrpnet.org)

#### **Susan Landis**

Executive Director

[Susan.landis@acrpnet.org](mailto:Susan.landis@acrpnet.org)

Chapter Resource Center: [www.acrpnet.org/CRC](http://www.acrpnet.org/CRC)

## VALUE PROPOSITION OF ACRP

Every member has their reason for joining, and every volunteer has their reason for stepping up to lead. When talking about ACRP and your Chapter with colleagues, it is important to fully understand the opportunities each provides. You may find it helpful to have your Chapter's value proposal stated in the same manner as the parent organization. For your benefit, the value proposal, mission, vision, and goals of ACRP are provided here.

### About ACRP

In clinical research, people are everything. ACRP raises clinical research standards and accelerates careers. Better people. Better results.

### How We Help Your Career

ACRP is where gold standard clinical researchers begin. And belong. Being part of the ACRP community means you are the gold standard in clinical research, and you have the qualifications to prove it. With support and tools to help you every step of the way, ACRP springboards your career onwards and upwards.

### Our Members

Located in more than 70 countries, ACRP's 13,000 diverse members work in a variety of practice settings, roles, and specialty areas, with a wide range of experience in clinical research. What's common about them all is their dedication and commitment to promoting excellence in clinical research.

### ACRP Vision, Mission, and Goals

#### **Vision:**

Clinical research is performed responsibly, ethically and professionally everywhere in the world.

#### **Mission:**

ACRP promotes excellence in clinical research.

#### **Goals:**

1. Serve as the preferred source for quality tools, resources, and best practices that support the clinical research community.
2. Serve as the gateway for the exchange of ideas and expertise across the clinical research community.
3. Champion the interests and perspectives of the clinical research community.

# ORGANIZATIONAL BASICS

## What is a Local Chapter?

A Chapter of ACRP is an independently functioning unit of the Association which is independently incorporated, with privileges and responsibilities determined by the Association Board of Trustees (ABoT) and set forth in the Association's Constitution and Bylaws. A group may represent itself as a Chapter of ACRP only after it has the express approval of ACRP in the form of a Chapter affiliation agreement.\*

The primary role of a Chapter is to provide an effective means for:

- Professional interaction and collaboration opportunities with colleagues;
- Advanced continuing education; and
- Discussion of professional issues.

In addition, a Chapter can:

- Increase the opportunity for member participation in ACRP activities;
- Provide a readily accessible mechanism for regional program development;
- Provide a network to rapidly gain member feedback on issues of concern to ACRP;
- Provide a locally effective ACRP membership recruitment mechanism; and
- Provide improved access to ACRP resources, including certification and continuing education credits.

## ACRP Chapter Annual Reporting (CASE Reporting)

The Chapter Affiliation Standards & Expectations (CASE) report is completed annually by the Chapter to help you in planning for the coming year, and to give ACRP HQ a snapshot of your activities, to help us know how to best support you. Prior to completing it, we encourage you to meet with your Chapter leadership team to develop a manageable plan for the year ahead that includes both education and networking, and that will incorporate what your members will be most interested in. ACRP depends upon each Chapter to operate in a professional manner; effectively manage finances; maintain affiliation standards; communicate with members, the community and ACRP, and promote ACRP. CASE, designed to ensure a stronger synergy between ACRP HQ and Chapters, helps us measure that and ensure that Chapters deliver consistent benefits to members.

To maintain Chapter affiliation with ACRP\*, your Chapter must meet these requirements:

1. The Chapter ensures all Chapter members are both global and Chapter members.  
The Chapter may not have Chapter members who are not members of ACRP global.
2. The Chapter complies with federal and state reporting requirements.

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\* We currently have 4 Chapters in a pilot program that has slightly different requirements, including not needing to be incorporated or have bylaws or an affiliation agreement with ACRP.

In addition, the Chapter is encouraged to:

- Maintain a minimum of 25 members throughout the year (10 members for OUS Chapters). Active members shall consist of individuals interested in the goals and objectives of ACRP and who are current in paying their ACRP membership dues. Only members of ACRP may be Chapter members, although non-members may attend Chapter meetings.
- Provide at least two (2) professional development activities per year for members. ACRP suggests meeting every two to three months; this frequency of meetings builds the morale of the group and creates a more active and motivated membership.
- Have at least one representative of the Chapter Board attend every Chapter leader teleconference (held bi-monthly, see the calendar on page 17 of this handbook).
- Maintain a current Chapter web presence with up-to-date information; Chapter web pages are housed within the ACRP Online Community.

All Chapters are required to submit a CASE report on or before January 15, annually. For more information about CASE, visit the Chapter Resources Center at [www.acrpnet.org/CRC](http://www.acrpnet.org/CRC). The form for the 2021 reporting year can be found here: [Chapter CASE Reporting for 2021 Year](#)

## Learning Organizational Structure and Operations

It is important for every board member to understand the Chapter history and requirements set forth by ACRP. This promotes a sense of belonging and understanding about the Chapter, position, and operational requirements.

When you first join the Chapter's Board, we recommend you fully read the Chapter's current bylaws and affiliation agreement. Also, all Board members should review the bylaws on an annual basis and confirm that all requirements are met, as well as if bylaws need to be changed. There are three governance requirements for Chapters to be incorporated and current with their non-profit IRS filing.

- All Chapters that are incorporated are required to file the 990 with the IRS. Most Chapters file the Form 990N, a simple online form, to comply. You can find more information on filing this here: <https://www.irs.gov/charities-non-profits/form-990-resources-and-tools>; ACRP staff will remind you of this filing ahead of the due date each year.
- ACRP includes you in our group 501(c)3 umbrella status if your Form 990 filing is up-to-date; this means your Chapter is designated a 501(c)3 charitable entity by the IRS. The IRS asks ACRP HQ to update our group exemption list annually.
- For incorporated Chapters, there are a variety of requirements dependent on the state, please check with your Secretary of State to confirm that your Chapter is current, if none of your Board knows that status.

We encourage incoming board members to participate in at least one regular board meeting before January 1. Additionally, a series of onboarding meetings should occur in October, November, and December to prepare you for your leadership term. The first meeting should cover the background and operations of the organization and your program area. An outline of pre-work and the goal of this meeting are below.

### Pre-Work

- Review the following Chapter and board documents:
  - ACRP CASE Annual Chapter Reporting Requirements

- Chapter Mission & Strategic Vision (or other similar strategic documents)
- Board member roles and responsibilities
- Board meeting agendas and minutes from the last 12–24 months
- IRS documentation, including letter with EIN information and taxes from 3 most recent tax years
- Financial statements from the three most recent years
- Chapter Bylaws and Articles of Incorporation  
(\* if you can't find these, email [chapters@acrpnet.org](mailto:chapters@acrpnet.org) for assistance)
- Review the following Chapter operational documents:
  - Position descriptions for all board members
  - Policies and Procedures Manual (if available)
  - Insurance — D&O declaration sheet and Commercial liability declaration sheet
  - Finance — credit card policies, reimbursement policy and necessary documentation,
  - Program budgets for last 2–3 years

### **Objectives for the Meeting**

1. Get to know each other, both personally and professionally
2. Learn about the “big picture” of the organization, vision, board structure and program areas
3. Review individual board functions
4. Learn operational information about executing Chapter programs (policies and procedures manual, insurance, stationery, budget, reimbursement, vendors, teleconference account, committee emails, survey tools, vendors).
5. Begin to determine your goals for the upcoming year

### **What's Next**

Take what you've learned during this process and meeting to determine goals for the Chapter and your program area.

### **Setting Chapter Goals**

Goal setting is pertinent for Chapter success, providing a road map for your upcoming year and providing a point for reflection at the end of the year. Before your year starts as a leader, participate in a meeting with fellow incoming or returning board members to set goals for the Chapter and its various program areas. The information below is divided into preparatory work, meeting objectives and a recommended agenda.

### **Pre-Work**

1. Review the following documents:
  - a. Chapter Mission & Vision
  - b. Previous year's organization and individual goals
  - c. Previous year's challenges and successes
2. Review SMART goal-setting process and terminology
3. Review the Chapter's goal-setting process



## **Meeting Objectives**

1. Review previous organizational and individual goals.
2. Determine organizational goals.
3. Set process for determining individual board goals that support the organizational goals.
4. Team bonding — plan some sort of fun event to go along with this planning session

## **Agenda**

- How goals are set and why
- Definition of SMART goal-setting process
- SMART goal exercise
- Overview of previous year's goals both organizational and individual board roles
- Successes and challenges of previous year's goals
- Develop 2–3 organizational goals
- Assign which board member will shepherd which organization goals
- Develop 1–2 individual goals that support the organizational goals
- Discuss how board members can support each other's goals

## **What's Next**

Finalize individual board goals in support of organizational goals and begin to assign realistic dollar amounts to goals for budget development process. The next section on financial management provides more information on budgeting.

## CHAPTER FINANCIAL MANAGEMENT IN BRIEF

As every board member has fiduciary responsibility for their organization, a brief description of key items to pay attention to is provided here. For in-depth information on Chapter financial management, a Chapter Financial Management Guide is provided.

Each Chapter bears sole and complete responsibility and liability for its financial affairs. On an annual basis, any excess of Chapter revenues over expenditures shall remain under the control of the Chapter. Each Chapter also bears sole and complete responsibility for any deficit of Chapter revenues over expenditures. For these reasons, an understanding of the fiduciary responsibility of each board member and the fiscal sustainability of the Chapter is critical.

### Chapter Dues Payments

Chapter dues are collected on [www.acrpnet.org](http://www.acrpnet.org) when a member joins or renews their membership. ACRP staff distributes dues to the Chapters on a quarterly basis, with an accompanying breakdown of these payments being distributed via email to the Chapter's president and treasurer. If you don't receive the payment once the Chapter has received the breakdown (or the Chapter has changed their accounting information), please let ACRP know as soon as possible at [chapters@acrpnnet.org](mailto:chapters@acrpnnet.org).

### Developing a Budget

After agreeing to goals for the upcoming year, incoming and returning board members will create a budget for the upcoming year. The budget is the financial presentation of the Chapter's goals and objectives. Members pay Chapter dues in exchange for services from the Chapter. The budgeting process addresses the financial implications of dues and other revenue received and services provided. Questions to be considered when determining the budget are:

- What does the Chapter provide its members?
- How much do these services cost?
- How much revenue comes from dues and how much from other sources?
- What are the administrative overhead costs (expenses such as insurance and software, which are not directly connected with a specific program)?

The budget, once approved by the Board of Directors, becomes the fixed base against which financial performance is analyzed during the year. It is a roadmap, not a prescription, for the year's activities — an expectation for the year based on the information best available to the board at the time of its creation. The approved budget itself does not change; when variances in revenue and expenses occur during the year, they will be measured against the approved budget. One of the treasurer's primary responsibilities is to alert the Chapter leadership to the financial implications of unanticipated changes in revenue and expenses so those adjustments can be made in a timely manner.

## **Pre-Work**

1. Review the following documents:
  - a. SMART goals developed at the goal setting meeting for the organization (for context)
  - b. SMART goals developed for your program area
  - c. Current budget vs actual report for the Chapter (for context)
  - d. Current budget vs actual and profit & loss statements (P&Ls) for your program area
2. Put budget numbers to your program area's goals

## **Agenda**

- Review how budgets are developed
- Cover how budgets are reviewed
- Review current budget
  - Successes and shortfalls
  - Impact of economy
  - Increase of revenues
  - Reduction of expenses
- Each board member to have already provided basic budget to treasurer for discussion and review
- Whole board reviews each area for consistency and adherence to policies and procedures
- As necessary, make revisions to more accurately represent expectations and/or ensure the budget is at least break-even
- Whole board approves budget consistent with the Chapter's bylaws

## **What's Next**

It's time to execute your plans and have fun! The following sections provide information and insights on different logistical considerations for operating your Chapter.

## COMMUNICATIONS & MARKETING

Consistent messages that include a clear call-to-action are the foundation of communications and marketing.

If you're struggling with how to reach your members, or if your messages aren't connecting, please reach out to us and we're happy to talk through this with you.

### E-mail Marketing Messages

Chapter presidents can receive monthly Chapter rosters from ACRP HQ including email addresses of your members for communications purposes. A Privacy Agreement must be completed by the Chapter president to receive the rosters. Please contact [chapters@acrpnet.org](mailto:chapters@acrpnet.org) if to request the privacy agreement. The Chapter roster may be used to distribute information about upcoming Chapter events, support for the Chapter leadership if needed, and any sort of communication that the entire Chapter would want.

### Website

All Chapters have a webpage within ACRP's Online Community (<http://community.acrpnet.org>); no external websites will be linked from the ACRP main page. To best capture the spirit and activities of your area, each Chapter can tailor their webpage to suit their needs. Updates to Chapter webpages are the responsibility of the Chapter. Each Chapter should designate up to three (3) board members administrator access to their Chapter webpage. Each administrator must first complete a training session led by the ACRP Chapter Services team, either live or pre-recorded.

NEW! Chapters can also request that their events be put on the ACRP event calendar on the website. This will allow the event to be seen by not only your Chapter members, but all that are on the ACRP website. When you apply for a Chapter event online, you will be able to request this support in section 2 (see the information on hosting events on the next page for more information on the event form).

### Logo Use

Upon the issuance of the Chapter's charter by ACRP, an approved Chapter may use the ACRP name, acronym and logo "Association of Clinical Research Professionals" on its literature, stationery and in certain other respects, in accordance with and subject to the terms and conditions of the Affiliation Agreement. ACRP will supply each Chapter with a specifically designed Chapter logo by request. As stated in the Chapter affiliation agreement, Chapters are prohibited from designing their own logos.

## HOSTING EVENTS

ACRP recommends that a Chapter holds at least two (2) events a year, either in person or virtually. When putting events together, keep the following in mind:

- Do you want an event that offers contact hours, or a non-contact hour event such as a happy hour or certification prep course? If you are planning a contact hour event, are you using a live speaker or ACRP-created content?
- Topic — In looking at topics for your events, consider the following:
  - Hot topics in the industry
  - Topics that are specific to your locale
  - Does a topic lend itself to a group rather than an individual speakers?
  - Do you want to consider an alternate event topic, such as a book or movie club or a topic-led conversation?
  - Event speaker — do you have individuals in your Chapter that can speak to the topic you want to present? Do you need speaker support or access to the speaker database, if you don't already have it?
- How do you want to market the event?
- How frequently do you plan to hold events for your Chapter?

ACRP offers Chapter event support in the following ways:

- Support for contact hour processing, including approval for the contact hour and support for evaluation through our Learning Portal
- Online Chapter event registration support — registration through the ACRP registration system with funds collected for the event sent to you on a quarterly basis along with your dues
- Hosting a Chapter event page for promotion (through the Online Community's Chapter's community)
- Inclusion of a Chapter event on the ACRP event calendar on the website

All of this support can be requested through the [Chapter Event Application form](#).

Chapters can provide events for ACRP contact hours, using our review system for approval of the hours. The pricing for these contact hours is set by ACRP as seen below. Please see the chart below for the costs for event attendees:

Membership Level	< 3 Contact Hours	3–5.9 Contact Hours	6+ Contact Hours	< 3 Contact Hours	3–5.9 Contact Hours	6+ Contact Hours
Content Source	ACRP Provided Content (showing a recording of a webinar replay or replay from the Online Conference Library)			Original Content		
Chapter Member	\$15	\$25	\$35	Free	Free	Free
ACRP Member (No Chapter Membership)	\$15	\$25	\$35	\$15	\$25	\$35
Public (Non-Member)	\$30	\$40	\$50	\$30	\$40	\$50

For more information on the process for requesting contact hours and how ACRP can support your registration, please review the [Chapter Event Application Submission Guide](#).

As you plan for the year, we recommend putting together a rough schedule of events for the year and sharing it with your annual CASE report. This will help staff in planning to support your event in addition to giving the Chapter a gameplan before the year starts.

## ACRP HQ SUPPORT

### Speaker Resource

ACRP staff maintains a list of potential speakers for your Chapter events. Many of the organization's Fellows, Content Committee members, and volunteer Subject Matter Experts have volunteered to be added to this list, offering a large range of speaking topics available to your Chapter. While we share their contact information and will continue to update the resource throughout the year, staff cannot vouch for the individual speakers nor be involved in the logistics of setting up a speaker for your Chapter event. Please reach out to the volunteers directly to make arrangements. To receive the list, or if you would like to recommend a speaker to add to this resource, please contact [chapters@acrpnet.org](mailto:chapters@acrpnet.org).

### Chapter Leadership Calls

ACRP has bi-monthly Chapter Leader calls, which gives all Chapter leaders the opportunity to hear what's going on at ACRP, talk to other Chapter leaders about guided topics, and get training on various items related to leading your Chapter. All Board members are invited and a minimum of one member of each Chapter's board is encouraged to ensure that all news is known to all Chapters.

### Survey Support

If you would like to survey your Chapter members on a topic (ie., you gather information about the kinds of events your members want), ACRP staff can help by developing a survey form and distributing the link on your behalf or providing the link to you to provide to the Chapter (if the Chapter has a privacy agreement on file, see Marketing and Communications). Staff will provide the survey results once the survey closes. To request this support, please contact [chapters@acrpnet.org](mailto:chapters@acrpnet.org) or the Chapter Engagement Manager.

### Election Support

For your Chapter's annual elections, we can facilitate both nominations and elections, depending on your needs. Once nominees have been selected for the election, we can create, distribute, and tally ballots, sending you result without any identifying information. Please allow for 2 weeks to create the ballot and a week after the ballot closes to receive results. To request this support, please contact [chapters@acrpnet.org](mailto:chapters@acrpnet.org) or the Chapter Engagement Manager.

## **WE'LL STAY IN TOUCH!**

Your dedication does not go unnoticed! As you proceed in your term as a Chapter leader please do not hesitate to reach out with any questions. We look forward to helping you as you work with your Chapter to provide excellent educational and networking opportunities, to assist clinical research professionals in reaching their professional and personal goals.



## APPENDICES—RESOURCES & SAMPLES

### Appendix A: Important Dates

Below are dates to add to your calendar for your term as a board member. In addition to these dates, remember that all Chapters are encouraged to host two events annually in any style or combination of styles — educational, networking, certification prep support, and/or community service. One recommendation is to host one event in the spring and another in the fall, avoiding times when families may be taking vacations. November or December is a great time for a Chapter social or service event to build community.

DATE/MONTH	ACTIVITY
January 1	Chapter Leader Term Starts
January	ACRP HQ Orientation/Call with Chapter Leaders (4 <sup>th</sup> Thursday of the month)
February	Take time this month to check the Chapter's state incorporation requirements/status
March	ACRP HQ Call with Chapter Leaders (4 <sup>th</sup> Thursday of the month)
March	Educational Theme and Toolkit Announced
April	ACRP Annual Conference & Chapter Leader Meeting
May 15	Chapter 990N Online Filing Due
May	ACRP HQ Call with Chapter Leaders (4 <sup>th</sup> Thursday of the month)
June	Educational Theme and Toolkit Announced
July	ACRP HQ Call with Chapter Leaders (4 <sup>th</sup> Thursday of the month)
September 1	Begin process to determine next year's leaders
September	ACRP HQ Call with Chapter Leaders (4 <sup>th</sup> Thursday of the month)
September	Educational Theme and Toolkit Announced
November	Follow your Chapter's procedures for electing next year's slate of officers (review bylaws if unsure of your Chapter's process)
November	ACRP HQ Call with Chapter Leaders (3 <sup>rd</sup> Thursday of the month)
December 20	Following year's Chapter officer list due to ACRP at <a href="mailto:chapters@acrpnet.org">chapters@acrpnet.org</a>
December	Use this month to finalize the Chapter's onboarding process for your incoming officers
December	Educational Theme and Toolkit Announced
January 15	Chapter Leader Annual CASE Report due for this year

## Appendix B: SMART Goals Summary



SMART is an acronym, which stands for Specific, Measurable, Attainable, Relevant, and Time-Bound, that sets the criteria for setting goals and objectives. SMART goals are used in strategic planning to develop goals that are concrete and geared towards execution in a defined period.

- **Specific:** Provides a clear description of what needs to be accomplished
- **Measurable:** Provides a metric, or number, that identifies when the objective has been achieved
- **Attainable:** The objective must be achievable, within the timeframe and resources allocated
- **Relevant:** Meaningful, significant, and aligned with corporate priorities
- **Time-Bound:** The objective must be concluded by a specific date, scoring occurs at this time to determine if the objective has been achieved

The SMART method was first introduced in the November 1981 issue of Management Review in a paper authored by George T. Doran titled, "There's a S.M.A.R.T. Way to Write Management Goals and Objectives."

For more information, please see the following articles:

- <https://www.mindtools.com/pages/article/smart-goals.htm>
- [https://en.wikipedia.org/wiki/SMART\\_criteria](https://en.wikipedia.org/wiki/SMART_criteria)
- <https://www.workfront.com/strategic-planning/goals/smart-goals>

## Appendix C: Event Planning Guide

### Instructions for Submitting an ACRP Chapter Event Application

#### Timeline for Application & Submission

Please use the following guidelines when submitting your event application **(and all required materials)** to ensure a timely approval.

- Webinar Replay/Online Conference Library Session
- Live Speaker Events

Effective December 1, 2018, Chapter event applications must be submitted at least four (4) weeks prior to the date the Chapter would like registration to be open. A \$125 processing fee will be assessed for any application received within four weeks of the date the Chapter would like registration to be open.

**NOTE:** Applications are reviewed in the order they are received. ACRP will do its best to accommodate late submissions but failure to adhere to this timeline will result in a \$125 review fee or potentially the rejection of your application.

#### Contact Hours

All events require an application, whether they include ACRP contact hours or not. Continuing Medical Education (CME) and Continuing Nursing Education (CNE) are not available.

ACRP contact hour pricing (updated as of May 21, 2020):

Membership Level	< 3 Contact Hours	3–5.9 Contact Hours	6+ Contact Hours	< 3 Contact Hours	3–5.9 Contact Hours	6+ Contact Hours
Content Source	ACRP Provided Content			Original Content		
Chapter Member	\$15	\$25	\$35	Free	Free	Free
ACRP Member (No Chapter Membership)	\$15	\$25	\$35	\$15	\$25	\$35
Public (Non-Member)	\$30	\$40	\$50	\$30	\$40	\$50

#### Requirements Based on Type of Event

##### Webinar Replays/Online Conference Library Sessions

While webinar replays and online conference library sessions have already been reviewed by ACRP, your Chapter still must submit an event application. Please follow the instructions below for submitting this type of event for approval:

- Submit an [event application form](#) with information about the webinar and upload an [event flyer](#) (provided template contains all required elements. If using your own template, make sure all elements are included). You can upload the flyer directly to the form.

- In the “Additional Notes/Comments” section at the bottom of the form, indicate whether or not this will be one of your Chapter’s complimentary webinars for the year.
- For webinars available for free to members, Chapter leaders are responsible to purchase the webinar through the ACRP website and launch the event via their learning portal
- For webinars not available for free to members, please make a note in the Comment section of your event application stating which Chapter leader’s learning portal you would like the webinar applied.

### Live Speaker Events

Please follow the instructions below for submitting this type of event for approval:

- Submit an [event application form](#) with information about the event and upload the following required materials at the time of submission
  - [Event Flyer](#) (*provided template contains all required elements. If using your own template, make sure all elements are included*)
    - Make sure to include a complete agenda with start/end times for the presentation and any Q&A so ACRP can accurately allocate credits.
    - Event flyer may not state that contact hours have been approved if they are not. See Formatting Your Event Flyer for appropriate language.
    - If you have a sponsor for your event, please include what they are sponsoring and a statement that the sponsor does not have any influence on the content of the presentation. The sponsor logo cannot be larger than the ACRP logo.
  - Signed [Conflict of Interest Form](#) from all speakers
  - Speaker(s) Bios/CV
  - ALL presentation materials (slides or outline if no slides, any handouts, etc.)
    - Include the learning objectives as a slide in the PowerPoint deck

*If you have trouble uploading your materials to the application form, you may send to [chapters@acrpnnet.org](mailto:chapters@acrpnnet.org) in a separate email however the application is still required.*

### Formatting Your Event Flyer

To ensure timely approval, the following information must be included within your event flyer:

- **Event Flyer** — the following information **MUST** be included on your flyer:
  - ACRP Chapter logo (do not use the generic ACRP logo)
  - Chapter name
  - Program title
  - Speaker information
  - Date, time, location of event
  - Brief program description
  - Three (3) to five (5) [SMART learning objectives](#) for the program
  - A complete program agenda
  - Target audience
  - In-kind Support and Unrestricted Educational Grants statements (if applicable):
    - This activity is provided by an unrestricted educational grant from (indicate name of company), (Logos cannot be larger than ACRP’s logo)
    - In-kind support is provided by (indicate name of company) (Logo cannot be larger than ACRP logo)

- Registration information and applicable fees. Include the cancellation and refund policy as well as contact hour application deadlines
- The following contact hour statement: "XX Contact hours have been applied for through ACRP. Membership is not required for online registration/application of contact hours."
- Please include the following statement: *"To receive contact hours: Purchase the contact hours, sign in at the registration desk, and attend the program. After attending the event, log on to the ACRP website; then navigate to "ACRP Learning Portal" to complete the evaluation **no later than 30 days following the event and obtain the online certificate.**" After 30 days, contact hours are no longer available.*

### Additional Requirements

- Title and Learning Objectives must be consistent on all materials
  - Includes: event application, flyer, presentation, handouts (if any), COI form (from all speakers).
  - If a Symposium (or multiple presentations are being given), the event must have overall learning objectives
- Learning Objectives must provide a measurable outcome. For more information on writing learning objectives, check out our [learning objectives guide](#).

### During the Event

- Collect Proof of Participation: (May be a sign-in sheet, or something proving participation)

### Immediately After the Event

- **Excel Spreadsheet of Attendees (optional).**
- **Proof of Participation.** Please send the sign-in sheet (or other form of proof of participation) within 7 days post event. (Proof of participation is required to validate participation in a program.)

### Additional Resources

Event Resources & Application section of the Chapter Resource Center ([acrpnet.org/CRC](http://acrpnet.org/CRC))

Includes:

- [Chapter Event Flyer Template](#)
- Chapter Event PowerPoint Templates
- [Writing Learning Objectives Guide](#)
- [Sample Speaker Agreement](#)
- [Speaker Conflict of Interest Form](#)
- [Chapter Event Marketing & Communications Guidelines](#)
- [Sample Meeting Attendance Sheet](#)

**Approval will not be given until all materials have been received.  
Approval is required prior to online registration.**

## Appendix D: Financial Management Guide

### INTRODUCTION

A key position in every ACRP Chapter is that of the Chapter's treasurer. The Chapter Financial Management Guide is designed as a resource for the treasurer. It provides important information and advice on typical treasurer responsibilities. ACRP Chapters can use this guide in several ways:

- As a training tool for a new treasurer
- As a refresher and reference for an existing treasurer
- As a guide for making sure that the position description for the treasurer is complete.

The information in this guide will ensure that no financial management tasks or issues are overlooked, because strong financial management is crucial for the health of the Chapter.

Note: While every Chapter has a position with financial management responsibilities, not all Chapters use the same position title. Two of the most common are Treasurer and Chief Financial Officer. For simplicity and clarity, we will use the title treasurer in this guide.

### Duties of the CFO

All Chapters, large or small, must maintain accurate financial records, follow solid internal control procedures, be fully informed of current financial performance, and comply with governmental regulations. All collected funds must be deposited promptly, and payments must be made only after proper authorization and approval. A sample Chapter treasurer position description is included as "Sample Document 1."

Beyond these "bookkeeping" requirements, however, lies an array of financial concerns for the Chapter.

A strong treasurer approaches these concerns by:

- Submitting periodic financial reports in a useful format to Chapter leaders, members, and auditors, as required
- Using current and historical information to budget accurately and to identify potential trouble spots in time to make adjustments
- Directing the board's attention to long-term and short-term trends that may affect the Chapter's membership and financial position
- Encouraging all Chapter leaders to share the responsibility of managing the Chapter's finances
- Reviewing current banking, vendor, and investment relationships to ensure the best use of Chapter funds
- Keeping safety and liquidity factors in mind when investing Chapter assets
- Keeping informed on current federal and state regulations concerning exempt status, tax liability, filing compliance, and postage benefits
- Working closely with the outgoing treasurer and with the successor treasurer to achieve a smooth transition between terms of office
- Maintaining a balance between expenditures that are for the perpetuation and enhancement of the Chapter and expenditures that meet members' current needs
- Always remembering that the Chapter is custodian of its members' money and must be prudent in managing it

## **ANALYSIS OF THE CHAPTER'S FINANCIAL CONDITION**

The treasurer is the member of the team who manages the assets of the Chapter and has the following responsibilities:

- keeps current and accurate financial records
- has a thorough knowledge of ACRP's Chapter Affiliation Standards & Expectations (CASE)
- works with the membership chair, the meeting coordinators, and the other officers to ensure the Chapter's financial health

The discussion of the budgeting process, which follows this section, will address some trends and events that could affect revenue and expense projections for the upcoming budget year. In addition, the following factors should be constantly analyzed for their effect on the current and future years' performance:

- trends in membership growth (up or down)
  - changes in attendance at monthly meetings
  - registration at seminars and workshops
  - advertising income and other sources of revenue
  - unanticipated expenses
  - donated services, either anticipated and not received or received but not anticipated
  - unanticipated increases in administrative and other expenses
  - cost of carrying non-renewing members • new business opportunities
- The Chapter's activities are analyzed for the distinction between the good performers with a high return (both financially and in the members' perception) and the poor performers that use a lot of assets and efforts and have a low perceived worth. A member needs assessment and satisfaction survey will provide answers to most of your questions. The team recommends courses of action to capitalize on the good performers and to minimize or eliminate the poor ones.

## THE FOUNDATION OF A SOUND FINANCIAL MANAGEMENT SYSTEM

### The Seven-Step Budgeting Process

The budget is the financial presentation of the Chapter's goals and objectives. Members pay Chapter dues in exchange for services from the Chapter. The budgeting process addresses the financial implications of dues and other revenue received and services provided.

- What does the Chapter provide its members?
- How much do these services cost?
- How much revenue comes from dues and how much from other sources?
- What are the administrative costs (expenses such as insurance and software, which are not directly connected with a specific program)?

There are seven steps to the budgeting process:

1. Assess the Chapter's current financial position and look at the Chapter's goals
2. Identify Chapter programs and services
3. Estimate revenue for each program area for the coming year
4. Estimate expenses for each program area for the coming year
5. Identify all the administrative costs of running the Chapter
6. Prepare budget worksheets for each program and administrative area
7. Compile all program and administrative budgets into an overall annual Chapter budget

"Sample Document 2" and "Sample Document 3" provide examples of a simple and detailed annual budget.

#### ***Step One: Assess the Chapter's current financial position and look at the Chapter's goals***

- Where is the Chapter now; where is it planning to be?
- Is the Chapter building a budget that reflects member needs each year?
- Is the Chapter operating on a sound financial basis, or are cash balances dangerously low?
- Is the Chapter run like a business?
- Is the Chapter following its state and federal financial reporting obligations?
- Were the Chapter's financial records reviewed or audited last year?
- Does the Chapter have current liability insurance?

#### ***Step Two: Identify Chapter programs and services***

The final Chapter budget should encompass all activities for the coming year. The initial step is to conduct an inventory of all current and future Chapter programs, services, and activities to ensure they are all included in the annual budget.

In performing this inventory, the treasurer and other officers will ask two key questions:

- When members join the Chapter today, what do they get?
- Does the Chapter anticipate adding any new products or services in the coming year?



### ***Step Three: Estimate revenue for each program area for the coming year***

Here are some questions that should be addressed:

- How much do members pay in dues?
- What trends and events may affect revenue projections?
- Is membership static, increasing (signaling more revenue for the coming year), or decreasing (indicating a downward trend in revenue)? The membership chair and the treasurer should work closely to examine the trends.
- What is the member retention rate?
- What trends appear in the areas of meeting attendance, fees charged, and the timing of collections?
- Are there any innovative programs or services that will bring in additional revenue to the Chapter?
- Are there any programs or services that should be discontinued?

### ***Step Four: Estimate expenses for each program area for the coming year***

Questions and tips for consideration include:

- How much does it cost the Chapter to provide services to members?
- What trends and events may affect expense projections?
- Studying several years of audits and financial reports can help identify the type and size of expenses to expect and can point out cost items that might not come to mind immediately.
- Factor in any increases in postage, telephone, printing costs, etc., which have or which may occur.
- Use the most recent (and presumably highest) costs of recurring items to estimate a full year's expense. For example, if a restaurant charges more per person for monthly luncheon meetings than it did a year ago, the projected annual expense for luncheons would be based on the current charge (plus any anticipated additional increases), and not just on the aggregate of the past 12 months.
- How long does the Chapter carry non-renewing members? (Two months? Three months?) What is the rate of non-renewals? The budget must reflect the cost of printing and postage for newsletters and other announcements to non-renewals during their grace period.

### ***Step Five: Identify all the administrative costs of running the Chapter***

The various officers have budgets for carrying out their responsibilities. There may also be general administrative expenses such as insurance and administrative support. There may be some revenue associated with the administration of the Chapter, such as interest income on savings, CDs, money market, or other types of bank accounts. The treasurer is usually responsible for budgeting for administrative expenses and revenue.

### ***Step Six: Prepare budget worksheets for each program and administrative area***

Once steps one through five have been completed, officers can prepare a budget worksheet for each program and administrative area. By accepting the budgeting responsibility for a specific program, each

officer or chairperson accepts accountability for that program. This process helps establish the strong teamwork approach that characterizes a well-run Chapter.

Each worksheet identifies the program, its goal or objective, the activity required to achieve the goal, and all anticipated revenue and expenses.

The budget worksheet shows the months in which revenue will be received and expenses disbursed. In some cases, the timing of revenue and expenses can be predicted quite accurately, but in other cases it is most logical to spread the annual budget equally over 12 months. The information from these worksheets will be incorporated into the total Chapter budget.

***Step Seven: Compile all program and administrative budgets into an overall annual Chapter budget***

Using the Chapter's projected revenue and projected expenses, create a spreadsheet showing the amount and timing of all the Chapter's financial activity:

- How much revenue is anticipated and when will the funds be received?
- How much spending is anticipated and when will the funds be disbursed?
- What is the Chapter's anticipated cash position at any particular time?

Perform the following checks to finalize the budget:

- Does every program have a budget?
- Is there a budget for administrative expenses and any related revenue?
- Have you verified the accuracy of revenue, expenses, and net figures on each budget worksheet?
- Do the total revenue, expenses, and net figures on the annual budget include all the information from all the budget worksheets?
- Is the beginning cash balance equal to the sum of the anticipated balances in all bank accounts?
- Have you allowed for any prior year expenses that may not be billed until next year and will therefore use cash in the next year?
- Is there a substantial difference between this year's budget and last year's (either in revenue, expenses, or both)? If programs and activities have not changed greatly, then the budget should be very close to the prior year's figures.

The budget, once approved by the Board of Directors, becomes the fixed base against which financial performance is analyzed during the year.

The approved budget does not change. When variances in revenue and expenses occur during the year, they will be measured against the approved budget.

One of the treasurer's primary responsibilities is to alert the Chapter leadership to the financial implications of unanticipated changes in revenue and expenses so those adjustments can be made in a timely manner.

## Record Keeping, Control, and Reporting

Accurate, timely, and complete records are the essence of a sound financial system.

The treasurer's responsibilities include keeping all cash, insurance, investments, audit, and other financial records for easy access and for efficient transferability to the successor treasurer.

Under no circumstances are Chapter funds ever to be commingled with any member's personal or company account. A separate checking account must be set up to handle Chapter funds.

**Records Retention** The size of the Chapter determines the physical storage needs for the Chapter records. Each Chapter should keep an inventory of all records and their location. An example of an entry in such an inventory might be "Accounts Payable, 2003–2005, off-site storage." The inventory should be updated as part of the transition process and passed on to the successor treasurer. Here is a general guide for retaining records:

Accounts receivable journals	7 years
Bank statements	3 years
Accounts payable journals and checks	7 years
Annual financial statements and audits	Permanently
Tax returns	Permanently
Payroll records	7 years
Organizational documents (charters, bylaws, etc.)	Permanently
Membership records	3 complete years
Supporting documentation (such as paid invoices and cash receipts)	3 complete years
Insurance policies (expired)	3 complete years

*\*ACRP maintains an electronic archive of Chapter organizational documents. Contact your Chapter relations manager at [chapters@acrpnet.org](mailto:chapters@acrpnet.org) to obtain copies of the archived documents.*

**NOTE:** If the Chapter is in litigation or under investigation by the IRS or state authorities, no records should be discarded until the investigation or litigation is concluded.

The most common types of records that the Chapter treasurer prepares are the Accounts Payable (money paid out by the Chapter) and Accounts Receivable (money paid to the Chapter) journals. Each must be kept current and must summarize cash information monthly.

These records are used to summarize activity by program and service area, and in the preparation of periodic financial reports to the leadership. They are also used in reconciling all bank statements on a monthly basis.

The accounts are usually best managed with appropriate computer software. It can be a simple spreadsheet program or a refined financial management program whichever meets the needs of the

Chapter. Keep in mind, however, that you will need to be able to transfer all this information to the successor treasurer, who may have different software capabilities and technical skills. The Chapter may wish to establish rules and guidelines for use of financial management and tracking software. In any case, it is imperative that paper copies of all monthly journals and reports are passed on to the successor to help ensure a smooth transition.

### **Accounts Payable and Disbursements**

It is important that the Chapter establishes approval and authorization procedures for writing checks. The treasurer, who draws the checks, should not have authority to approve expenditures based on his/her signature alone. These control procedures should address:

- What backup documentation (expense reports, bills, etc.) is required?
- What approval is required for each type of expenditure and in each budget area?
- In what circumstances are more than one approval necessary? Usually there are three:
  1. over a certain dollar amount
  2. for items that were not budgeted
  3. when the variance from budget exceeds certain limits
- At what dollar amount are two signatures required on checks?
- How frequently will checks be drawn?

No checks should be drawn without proper authorization and approval, in accordance with the published procedures for cash disbursements.

With the annual transition of officers, the Chapter must file new signature cards with the bank. The Chapter's bank service officer can assist with the necessary arrangements.

Cut-off dates for bank statements should be the last day of the month rather than during the month. This eases the reconciliation and auditing processes.

Every check, bank service charge, and other reduction in cash is recorded in the Accounts Payable financial software or spreadsheet. Each entry represents a decrease in cash, with a simultaneous increase in expenses in one or more program or service areas.

### **Accounts Receivable**

Every bank deposit during the year is recorded in the Accounts Receivable financial software or spreadsheet. The total deposit represents an increase in cash. The deposit is simultaneously recorded as revenue in the appropriate program or service area.

Deposits must be made in a timely manner from when the money is received. It is an unacceptable financial management practice to hold funds any longer than three days before depositing them. If the bank's location is inconvenient to the treasurer, he or she should arrange to conduct banking transactions online or by mail. However, do not mail cash.

Each deposit must have backup information, which the treasurer prepares or consolidates:

- A dated duplicate deposit ticket, listing each check (payer, check number, and amount)
- Check stubs, payment copies of invoices, or other paperwork that will identify the source, amount, and purpose of each payment received
- Copy of the check

### **Statement of Revenue, Expenses, and Changes in Cash Balance**

The treasurer reports periodically to the board and other interested parties on the financial condition of the Chapter. The reports are as of a certain date (always the end of the month), and reflect all the activity through, but not beyond, that date. The reports should highlight areas in which revenue or expenses vary significantly from budget.

These statements can be as complex as the board desires, with percentage variances, projections, and subsidiary statements by program or service area. At a minimum, the statements should contain the following information:

- Name of the Chapter
- Title of the statement (“Statement of Revenue, Expenses, and Changes in Cash Balance”)
- Time period covered
- Cash balances at the beginning of the fiscal year
- Revenue (listed by program and service areas)
- Expenses (listed by program and service areas)
- Cash account balances as of the date of the statement

Always, the beginning cash balance plus total revenue received in cash less total expenses paid in cash must equal the ending cash balance. In other words:

$$\begin{aligned} & \text{(BEGINNING CASH BALANCE)} \\ & + \text{(TOTAL CASH REVENUE)} \\ & - \text{(TOTAL CASH EXPENSES)} \\ & = \text{(ENDING CASH BALANCE)} \end{aligned}$$

Having verified the beginning balances from the prior year-end reports and having used the “Accounts Receivable” and “Accounts Payable” spreadsheets to reconcile the bank accounts, the ending cash balance on the statement will equal the reconciled cash balance on the monthly bank account statements.

### **Balance Sheet**

The balance sheet presents the Chapter’s assets, liabilities, and fund balance at a specific point in time.

The balance sheet is always presented as of a certain date (unlike the “Statement of Revenue, Expenses, and Changes in Cash Balance,” which reflects activity for a certain period).

There are three major divisions: assets, liabilities, and fund balances.

Assets are either current (cash or readily converted into cash, or accounts receivable that are due within one year) or fixed (furniture and equipment, less accumulated depreciation to date).

Liabilities are either current (due to be paid out within the year) or long-term (due to be paid one year or longer in the future).

The ending fund balance is always the fund balance at the beginning of the year plus the net excess of revenue over expenses since the beginning of the year.

Fund balance is simply assets minus liabilities and reflects the cumulative financial activity of the Chapter since its inception.

Total assets always equal the sum of the total liabilities plus the fund balance.

Most Chapters use the cash basis of accounting (instead of the accrual basis). Accounting on the cash basis means that the financial statements reflect revenue when it is received (deposited in the bank) and expenses when they are paid (when checks are drawn).

It follows, of course, that the accuracy of the Chapter's financial picture depends on collecting and depositing funds immediately and on drawing checks in payment of expenses as soon as expense invoices are received.

Smaller ACRP Chapters often have cash as the only asset and no liabilities. In that case, the fund balance at any one time will equal the cash balance. For these Chapters with no other assets, the "Statement of Revenue, Expenses, and Changes in Cash Balance" is the only financial statement required, since the ending cash balance is identical to the fund balance.

Some larger Chapters may have purchased furniture and equipment (such as desks and computers), or may have money in stocks, bonds, and/or other investment vehicles. For these Chapters, a conventional balance sheet should be prepared.

All the reports and supporting records discussed above Accounts Payable journal, Accounts Receivable journal, Statement of Revenue Expenses, Changes in Fund Balance, and Balance Sheet are intricately related. Accurate record keeping is essential to accurate financial reporting.

### **Cash Management**

Cash management covers several areas: deposit and check writing procedures, banking relationships, cash flow, and investments.

### **Deposit and Check Writing Procedures**

Deposit and check writing procedures are addressed above in the sections on "Accounts Receivable" and "Accounts Payable."

### **Banking Relationships**

This area encompasses all the Chapter's accounts at banks, savings and loan institutions, and investment houses.

It is advisable to deal directly with the account executive who handles the Chapter's account in order to establish a personal relationship with him or her. One of the first transition activities will be to update each account with new signature cards. This is an excellent opportunity for the treasurer to get to know the banker.

Banks are competitive. If the Chapter officers feel that the Chapter is not receiving the service it deserves, or that fees are too high or interest too low, then shopping around for better deals, either

with the current bank or with other banks, may be advisable. The Chapter deserves the best balance of safety, convenience, and economy.

### **Cash Flow**

The treasurer should always be aware of the Chapter's current cash situation. If the cash balance is high or low in comparison to the same time last year or to year-end, what has caused the shift?

- Is it due to the timing of dues receipts?
- Has a one-time large bill (such as insurance) just been paid?
- Is there an event to be held soon, for which fees have been received but for which few bills have been paid?

Cash management in the context of watching the flow of funds involves:

- noting the current cash situation
- analyzing the revenue and expenses that are due in the future
- adjusting as necessary

Perhaps there are excess funds to invest for a limited period of time at a higher rate. Perhaps some budgeted expenses need to be postponed until the cash position improves. Perhaps the Chapter's cash balance is in danger of getting below an acceptable level, and so arrangements with vendors for time payments (of an insurance policy, for example) may be negotiated.

In any case, the treasurer has the raw data to recommend steps that will most efficiently manage the members' money.

### **Additional Reporting Procedures**

In addition to the financial statements discussed above, the treasurer prepares reports that show:

- variances in revenue and expenses between actual and budgeted
- projected revenue and expense based on year-to-date information
- trends and their long-term effects

Any variances that exceed five percent of projected and budgeted revenue or expense should be brought to the board's attention along with notes explaining the variances.

"Sample Document 4" shows an example of a "Variance Analysis" report, showing budget, year-to-date, and projected revenue and expenses.

At the board's discretion, any financial statements or records can be presented to the members. They may be part of the treasurer's report at membership meetings, published in the Chapter newsletter, or presented in another way that is appropriate and convenient for the Chapter.

In addition, the year-end "Statement of Revenue, Expenses and Changes in Cash Balance" should be presented to the entire membership as part of the Chapter's annual report.

It is also the treasurer's responsibility to prepare state and federal financial reports, as required by law. (See the section on "Federal and State Tax Reporting.")

## **The Review or Audit Process**

### **What is an Audit/Review?**

An audit is a systematic process of objective procedures that are performed with the result being an opinion expressed by the auditor as to the accuracy of a set of financial statements accompanied with a level of assurance of the opinion.

A review is less rigorous than an audit and entails the performance of certain inquiries and procedures that provide the basis for giving limited assurance as to the accuracy of a set of financial statements.

### **Purpose of an Audit/Review**

The audit/review is the examination and verification of the Chapter's books and financial records and is concerned with two objectives:

- Verification that established policies, procedures, and internal controls are being followed in the daily operations of the Chapter, and
- The auditor's satisfaction that the accounting records and financial statements are accurate and complete.

### **When to Conduct an Audit/Review**

Conducting an annual internal/external review verifies that established policies, procedures, and internal controls are being followed in the daily operations of the Chapter. Reviews assure that collected monies, such as members' dues, are accounted for and being used properly. It also confirms that the accounting records and financial statements are accurate and complete. Therefore, this is an important component of the board's fiduciary responsibility.

*\*ACRP encourages all Chapters to do an internal review or external audit. As a suggestion, we recommend that Chapters alternate from year to year.*

Reviews and audits should be performed when the year's financial statements are complete. However, if there is any evidence of wrongdoing by the treasurer or by anyone else who has access to the books, then an audit by an outside firm should be performed at the time the wrongdoing is first suspected.

### **Who Should Conduct Audits/Reviews**

The Chapter should hire a certified public accountant to conduct independent external audits or reviews.

The annual internal review can be conducted by an internal audit committee, composed of members preferably with financial acumen that examines the books at year-end for completeness and accuracy.

### **How to Complete the "Audit Program"**

A checklist of tasks to be completed during the audit is called the "audit program." It is completed during the audit and becomes a permanent part of the audit documentation.

The auditor(s) examine the financial records, bank statements, budgets, and board minutes to satisfy themselves that Chapter procedures are being followed. They will make note of the records they have reviewed, and will make any comments on related procedural matters, as they deem necessary.

Upon completion of the audit, the auditors issue a report expressing an overall opinion on the accuracy of the Chapter's financial statements. Should the auditors have any recommendations for adjustments



to the record keeping and financial reporting processes, these will typically be expressed in an accompanying letter to management.

An internal review program can be developed with assistance from the auditors. An example of an internal review program for a volunteer audit committee is included as “Sample Document 5.”

### **Other Financial Management Considerations**

As custodian of its members’ money, the Chapter must safeguard its assets in a conservative and fiscally responsible manner. To do so requires long-term as well as short-term planning.

Chapters, large or small, should establish policies for accumulating a reserve fund and for investing available cash.

The reserve and investment policy may be consolidated into one policy. This discussion, however, will deal with them separately.

### **Reserve Policy**

There are three reasons for having a reserve fund:

1. To cover obligations to members. Members pay dues in advance for products and services to be rendered by the Chapter over a particular future period. The Chapter must ensure that there will be funds to pay for these services. In most situations, the cycle of the collection of membership dues is either constant throughout the year or occurs in the same known period (e.g., January and February) from year to year. In either case, the Chapter assumes that money will come in to pay for the cost of services.

However, if there is an economic downturn, and membership renewals decline, there must still be available enough money to cover promised services to current members through their membership year. (Of course, the Chapter must be constantly aware of trends in membership growth so that if there is a slowdown in the revenue stream, spending adjustments can be made accordingly.)

A Chapter may also use the reserve fund to provide indemnification for its officers against risks associated with managing the Chapter. (See the section on “Liability and Indemnification.”)

2. To allow for shortfalls in revenue and/or unforeseen expenses. Even if membership does not decline, other sources of revenue may drop unpredictably. For example, a Chapter may have made unbreakable commitments for meeting space for an upcoming seminar or workshop. If the registration does not materialize, the commitments still must be met, and funds must still be available to cover such payments.
3. To build funds for capital expansion. Computers, appropriate software, and even office space are important assets for many Chapters. The size of such an investment may be larger than the budget can allow in a single year, and so the board may wish to earmark a certain amount for a certain number of years toward purchasing the equipment.

Even Chapters without a formal reserve policy will have excess funds in a bank or other investment vehicles at various times. The reserve policy identifies the minimum level of these funds.

The reserve policy should also stipulate that a majority of the board must approve any action that would deplete the funds below the established minimum level. Such approval would be carried in the board minutes.

The board should study the Chapter's future needs, the "worst case" shortfalls over a multi-year span, and trends from the past several years concerning members and other sources of revenue. It should then decide the target balance in the reserve fund.

The need for establishing a policy to set up and contribute to a reserve fund is clear; the amount that should be set aside for reserves is not so clear.

Several methods for determining the target balance of the reserve funds are:

- As a percent of one year's operating costs. For example, if the annual budget is \$50,000 and the target balance is 50 percent of one year's operating costs, then the target balance for the reserve fund would be \$25,000. As the budget changes, the target balance changes.
- As a specific dollar amount. For example, if the board feels that \$10,000 is an adequate amount to keep in reserves, then \$10,000 is the target balance. The reserve may grow to be greater than \$10,000, but the excess would be available to return to members in the form of additional services.
- As the amount associated with a specific program or area. For example, the board may decide that the target balance should be equal to the cost of providing workshops and seminars over a two-year period. Again, as these projected costs change, so would the target balance.

There is no one right way to determine the amount of the target balance in the reserve fund. The discussion of methodology above merely sets out several approaches to addressing the issue..

It is imperative that all officers be involved in identifying both the amount of the target balance and the date for achieving that balance. The primary consideration is that money must be available to protect the members' investment in their Chapter.

### **Investment Policy**

The investment policy identifies the vehicles in which the Chapter can invest its money. Keeping in mind that the Chapter is the custodian of its members' money, Chapters should take a conservative investment approach, based on the "SLY" policy: Invest in a manner that offers the most reasonable combination of safety, liquidity and yield.

- Safety Investment — in speculative stocks or other ventures should be avoided. Obligations of the federal government are the safest available investment. Many Chapters invest in interest-bearing accounts and short-term certificates of deposit at a local bank, particularly for money not set aside as reserve.
- Liquidity — the Chapter's cash needs and projected flow of funds should determine liquidity requirements. For example, if membership renewals occur annually at the beginning of the year, then cash will be high in January but low by the first of December. The maturity dates of investments can be staggered so they may be liquidated without penalty.
- The investment policy should consider the balance of the reserve fund (available for longer-term investment), and the cash flow requirements during the year (necessitating readily available cash).
- Yield — investments are made to earn interest on money. The wise investor looks for the safest investments that will yield the highest return, always remembering that cash must be available when needed to meet expenses.

- The investment policy itself should set out the types of vehicles in which the Chapter can invest. It should also identify the requirements for investing the reserve fund cash, and should set out which officers can make investments and what level of board approval and reporting is required.

Before formulating a Chapter investment policy or investing a significant amount of cash, the treasurer should consult a financial advisor, preferably one who specializes in working with nonprofit organizations. The financial advisor can be helpful in suggesting investment guidelines and identifying investments that will conform to those guidelines.

## **FEDERAL AND STATE TAX REPORTING**

### **Tax Exempt Status**

The 501(c)(3) Designation

The advantages of a 501(c)(3) organization are that federal income taxes do not have to be paid on related business income (unrelated business income is taxable), and contributions made to the organization are tax deductible by the donor.

ACRP and the large majority of its Chapters are classified as 501(c)(3) organizations. This designation identifies them as organizations operating for the educational benefit of society.

A 501(c)(3) organization is exempt from federal tax on income related to their exempt purpose (membership dues, seminar fees, educational publication sales, etc.).

Contributions made to 501(c)(3) organizations are considered charitable contributions, and as such are tax deductible by the donor. This offers the organizations a broader base for receiving grants, gifts, and donations.

Be aware, however, that exemption from federal income taxes does not automatically constitute exemption from state and local taxes. Tax regulations vary according to state and locality. If the CFO is unsure of the Chapter's state and local tax status, he or she should contact the local and state directors of finance or taxation.

### **ACRP Group Exemption**

In 1984, ACRP received a group exemption letter (Group) from the IRS. By this letter, subordinate organizations (Chapters) can be granted 501(c)(3) status by virtue of their participation in the Group, thereby avoiding the necessity of individually filing for exemptions.

If a Chapter's statement of purpose or mission is consistent with ACRP's, and if it requests to be included, it may be made part of the Group. Each ACRP Chapter is strongly encouraged to participate in the Group.

ACRP's statement of purpose is:

*We are leading innovation in clinical research workforce development by setting standards for professional competence, and building and validating competence in the workforce.*

In order to be included in the Group, a Chapter must make its request in writing to ACRP.

ACRP updates the Group records with the IRS on an annual basis in September, adding any Chapters that have requested inclusion since the last update. ACRP will ask for and collect this information as part of the annual CASE submission in January of each year.

ACRP maintains a current list of Chapters participating under the Group. It includes each subordinate's name, Federal Identification Number, and filing status. These records are updated as new Chapters are added to the Group Exemption.

If there are any questions related to inclusion in the Group Exemption, the Chapter treasurer should contact the Chapter relations manager.

### **IRS Forms 990 and 990EZ**

Being exempt from paying taxes does not equate with being exempt from filing tax returns. IRS Form 990 is the tax return used by nonprofit organizations. It must be submitted by the 15th day of the fifth month following the close of the fiscal year (May 15 for a calendar fiscal year). Penalties for filing late are \$20 per day, up to a maximum of \$10,000. An automatic three-month extension for filing deadlines may be requested using IRS Form 8868.

Nonprofit organizations, however, do not have to file a formal Form 990 return if gross receipts (i.e., total revenue received during the year) are normally less than \$25,000. "Normally" is usually defined by the activity of the prior three years. If receipts in two of the prior three years have been less than \$25,000, then no filing is required. However, if gross receipts in only one of the prior three years has been less than \$25,000 (regardless of what the current year's outlook is), then the Chapter will be required to file.

As of 2008, however, small tax-exempt organizations that previously were not required to file returns are now required to file an annual electronic notice, Form 990-N, "Electronic Notice (e-Postcard) for Tax Exempt Organizations not Required To File Form 990 or 990-EZ." This filing requirement will apply to tax periods beginning after December 31, 2006, and organizations that do not file the notice will lose their tax-exempt status.

ACRP Chapters are under the "general supervision" of ACRP, in conformance with ACRP's mission as a nonprofit tax-exempt educational organization. Beyond that, however, the Chapters are autonomous entities. As such, they are responsible for maintaining their records and complying with all applicable federal, state, and local laws and regulations, including tax laws.

All ACRP Chapters are required to independently determine whether or not they must file federal and state tax returns, and are responsible for filing them in a timely manner.

### **Unrelated Business Income Tax (UBIT)**

Even though an organization is tax exempt, it still may be liable for tax on its unrelated business income. Unrelated business income is income from a trade or business, regularly carried on, that is not substantially related to the performance by the organization of its exempt purpose or function except that the organization needs the profits derived from this activity. Perhaps the most commonly seen unrelated activity is the sales of advertising space in Chapter publications.

An exempt organization that has \$1,000 or more gross income from an unrelated business must file Form 990-T, Exempt Organization Business Income Tax Return. For additional information, see the Form 990-T instructions.

An activity is an unrelated business (and subject to UBIT) if it meets three requirements:

1. It is a trade or business
2. It is regularly carried on
3. It is not substantially related to the furtherance of the exempt purpose of the organization.

The term “trade or business” generally includes any activity carried on for the production of income from selling goods or performing services. Activities of producing or distributing goods or performing services from which gross income is derived do not lose their identity as trades or businesses merely because they are carried on within a larger framework of other activities that may, or may not, be related to the organization’s exempt purposes.

Business activities of an exempt organization ordinarily are considered “regularly carried on” if they show a frequency and continuity, and are pursued in a manner similar to comparable commercial activities of nonexempt organizations. A general rule of thumb is that an activity that is performed only once per year, such as an annual bake sale, is not regularly carried on.

To determine if a business activity is “substantially related” requires examining the relationship between that activity and the organization’s exempt purpose. A trade or business is related to exempt purposes only when the conduct of the activity is essential to achieving the exempt purposes. That is, the activities that generate the income must contribute importantly to accomplishing the organization’s exempt purposes in order to be substantially related.

There are a number of exclusions and exceptions to unrelated business income. They include: dividends, interest, certain other investment income, royalties, certain rental income, certain income from research activities, and gains or losses from the disposition of property. In addition, the following activities are specifically excluded from the definition of unrelated trade or business:

- Volunteer Labor — Any trade or business is excluded in which substantially all the work is performed for the organization without compensation. Some fund-raising activities, such as volunteer operated bake sales, may meet this exception.
- Convenience of Members — Any trade or business is excluded that is carried on by an organization described in section 501(c)(3) primarily for the convenience of its members.
- Selling Donated Merchandise — Any trade or business is excluded that consists of selling merchandise, substantially all of which the organization received as gifts or contributions. Many thrift shop operations of exempt organizations would meet this exception.

As a result of these exceptions and exclusions, most Chapters do not engage in activities producing unrelated business income to the extent that reporting and paying taxes on them is necessary. If the Chapter has questions about such activity, it would be wise to contact an accountant concerning the matter.

For more information, see IRS Publication 598, Tax on Unrelated Business Income of Exempt Organizations.

### **IRS Form 990T**

A nonprofit organization with gross UBI of \$1,000 or more must file IRS Form 990T (even if net UBI is a loss). The form is due to the IRS on the 15th day of the 5th month after the end of the tax year. An extension is available using Form 8868. ACRP does not file IRS Form 990-T for Chapters.

No tax is due if the Chapter's UBI is less than \$10,000. Chapters with UBI greater than \$10,000 will be taxed at the same rate as corporations, and estimated payments are required.

Finally, all expenses related to the UBI can be deducted in calculating the Chapter's net taxable income.

### **State Taxes**

Every state has different tax filing and reporting requirements. It is up to the Chapter to identify and follow through on these requirements. ACRP does not have information on the rules and regulations for each state and jurisdiction.

### **State Sales Tax**

#### *Payment*

Generally, organizations are required to pay state sales tax on all purchases of taxable merchandise in that state. However, many states grant exemptions to charitable organizations. This exemption is generally not automatic; you must apply for it.

If exemption is granted by your state, then the Chapter will receive an exemption certificate that can be presented to vendors when making purchases. The vendor will then not charge tax on the purchase.

Please note that this exemption certificate provides only an exemption from paying sales tax — not from collecting it on merchandise sold by the Chapter.

#### *Collection*

Most states require all organizations, including charities, to collect sales tax on sales of merchandise, including donated merchandise. Some states exclude certain merchandise from sales tax (such as certain educational publications). This varies greatly from state to state.

All Chapters that sell merchandise must register with their state to collect sales tax. The Chapter then remits the tax it has collected with some form of sales tax reporting form, generally on a monthly or quarterly basis.

Out-of-state mail order sales are exempted from sales tax at this time.

For information on either payment or collection of sales tax in a particular state, the state department of taxation or revenue should be able to refer you to its sales tax office.

### **Payroll Taxes**

If a Chapter employs any person on a regular, continuous basis, it may be liable for withholding and reporting payroll taxes.

IRS Circular E, available from a local IRS office or on the web, gives complete instructions on how to determine if you are an employer, and what procedures and forms to follow for reporting wages and withholding federal taxes.

The Department of Taxation in your state will be able to provide a similar publication for state wages.

### **Contractors and Consultants**

Unincorporated contractors and consultants who are paid \$600 or more in a calendar year must be issued a Form 1099 by January 31st of the following year. Please refer to [www.irs.gov](http://www.irs.gov) for additional filing dates and requirements for Form 1099.

## **LIABILITY AND INDEMNIFICATION**

Prudent fiscal management of a Chapter dictates that the Chapter and its officers and directors be insured both against potential litigation and against losses from theft and damage. This is a complicated area with wide variation in state laws. This section provides some general information that should apply to all ACRP Chapters.

### **Volunteer Protection Act of 1997**

The Volunteer Protection Act passed by the United States Congress in 1997 relieves a volunteer of a nonprofit organization of liability for harm caused by an act or omission if:

- the volunteer was acting within the scope of his or her volunteer responsibilities
- if required, the volunteer was properly licensed or certified to practice in the state where the harm occurred
- harm was not caused by willful or criminal misconduct, gross negligence, reckless misconduct, or flagrant indifference to the rights or safety of the person harmed by the volunteer
- harm was not caused by the volunteer's operation of a motor vehicle, vessel, aircraft, and so forth, for which the state requires a license
- harm was not caused by a volunteer's misconduct that constitutes a crime of violence, constitutes a hate crime, involves a sexual offense, or violates civil rights laws, or that occurred when the volunteer was under the influence of intoxicating alcohol or any drug.

The Act preempts inconsistent state laws, except when those laws provide additional protection. Most experts say this Act is a good first step, but that it does not go far enough in eliminating the myriad of conditions and exceptions regarding volunteer liability.

Chapter officers should be aware of certain things that the Volunteer Protection Act does not do:

- it does not protect the organization itself from liability for its acts or acts of its volunteers.
- it does not protect the volunteer from being sued by the organization itself.
- it does not eliminate the need for general liability and director and officer ("D&O") insurance policies.

### **General Liability Insurance**

The importance of being adequately insured cannot be overstated. Insurance offers protection against damage, accidents, and lawsuits.

Each Chapter must obtain general liability insurance for itself. ACRP does not provide this coverage.

The types of needed coverage include such areas as:

- comprehensive general liability
- host liquor liability
- non-owned and hired auto
- others that may be specific to the Chapter's needs

Since insurance regulations vary from location to location, each Chapter needs to determine what coverage will afford it the most protection within its jurisdiction. When choosing an insurance policy, consider the following criteria:

- types of coverage needed (as indicated above)
- applicable state and local laws
- number of Chapter members
- size of events to be covered

### **Directors and Officers Liability Insurance (D&O)**

General liability insurance focuses on property damage and bodily injury. In contrast, a D&O policy insures against the “wrongful acts” of the organization, its directors, officers, employees, and volunteers (depending upon the definition of “Insured”). In general, this means the actual or alleged acts or omissions, including breaches of duty, that the directors, officers or other insureds may perform.

ACRP Chapters operate autonomously and only under the “general supervision” of ACRP. Because of this loose relationship, ACRP is not responsible for the debts of the Chapters and cannot be responsible for the indemnification of Chapter directors and officers.

Chapter officers should address the question of how they wish to secure themselves against the risks associated with managing the Chapter. If indemnification is warranted, it may be provided through insurance, through the reserve funds, or through current operating income.

The Chapter’s insurance agent, counsel, and accountant are sources of advice on this matter.

### **Event Cancellation Insurance**

If the Chapter relies substantially on income from an annual meeting or other meetings, it should consider the purchase of an event cancellation policy. This type of policy protects against a wide range of circumstances that could result in a meeting having to be cancelled with a subsequent loss of revenue.

### **Other Insurance**

- auto — if the Chapter owns a vehicle, a commercial auto policy should be in effect.
- travel/accident — if Chapter leaders routinely travel on Chapter business, this coverage may be desirable.
- fiduciary — if the Chapter has employees and maintains a retirement plan, this coverage will protect the officers responsible for custody of plan assets.
- prime — protects against loss from theft by officers and employees of the Chapter.

### **Incorporation**

Incorporation is highly recommended, because it helps to protect board members from liability arising from acts of the organization or its officers, board, or staff. Maximum liability of an incorporated organization is generally limited to the assets of the association. Statutory regulations governing unincorporated associations are fragmentary and incomplete. Thus, their legal status is less clear.



The traditional purpose of incorporation is to shelter the “owners” from personal liability. Corporate status allows an entity to be considered a “person” under the law, and to sue and be sued in its corporate name, thereby sheltering its officers against liability.

Neither federal laws nor ACRP regulations require Chapters to incorporate. State or local laws, however, may require incorporation. That issue is beyond the scope of this toolkit. Local legal counsel should be sought concerning if, how, and in what form a Chapter should incorporate.

In deciding whether or not to incorporate, the Chapter should consider state and local regulations, liability factors, vendor relationships, legal fees, and administrative burdens associated with incorporating.

## **TRANSITION EFFECTIVENESS**

A treasurer's term of office is effectively about six months longer than the actual term. This is because the treasurer is involved in the Chapter's financial management from the time of election (usually three months before taking office) through the final closing of the books (up to three months after the end of the term).

The current treasurer should meet with the newly elected one to review the following:

- budget for the current and upcoming year
- prior year-end statements, the audit report and worksheets, and all monthly and quarterly statements and analyses for the current year
- location of Chapter records, the inventory system, and the record retention policy
- location of all bank accounts and investment vehicles
- treasurer's job description and any additional duties or responsibilities expected from the office beyond the job description
- elements of CASE the treasurer is responsible for or for which the treasurer is involved
- reserve, investment, and other policies as they relate to the treasurer's duties
- any computer software and programs used for financial management
- transfer of current records to the new treasurer
- year-end reports (which the outgoing treasurer will prepare) and the year-end audit or review
- long-term view of the Chapter, covering trends, occurrences, planning for the future beyond the current term of office, and visions of the future.
- availability of the outgoing CFO to be a resource to the incoming CFO as his or her term of office begins.

The treasurer — incoming, outgoing, or continuing — is part of a complete transition team. All officers and chairs share in the dynamic process of carrying the Chapter successfully from one set of leaders to the next, and from one year into the future.

## Sample Document 1: Chapter Treasurer Position Description

Sample Chapter Leader Position Description: TREASURER

Position Summary: Act as financial officer and advisor to Chapter board of directors. File appropriate forms and information with IRS.

Time Commitment: One year

Estimated Time Requirements per month:

- Board meetings: 1 hour plus travel time
- Monthly Chapter meetings: 2 hours plus travel time
- Communicating with global ACRP and fellow leaders: 2–4 hours
- Record keeping and financial book upkeep: 2 hours

Responsibilities:

- Fulfill the role of financial officer and advisor
- The treasurer, as an elected officer of the Chapter, is a responsible member of the Chapter's board of directors and must take part in discussion and action on all business of the Chapter. As financial advisor of the Chapter, the treasurer must be in a position to assess the financial implications of proposed actions by the board of directors and inform the committee prior to final decisions being made. Also, the treasurer must observe the financial direction of the Chapter, recognize possible financial problems, and bring such problems to the attention of the board of directors for action.
- The treasurer shall receive, hold, and safeguard in the capacity of trustee and financial agent, all funds for the Chapter.
- The treasurer shall disburse such funds only for normal and usual uses unless the Chapter's board of directors shall otherwise direct.
- Participate in the development and implementation of short-term and long-term strategic planning for the Chapter.
- Represent the Chapter in the clinical research community.
- Attend all monthly membership and board of director's meetings.

Requirements:

- Reports all income and expenses to the board on a regular basis
- Reports on financial status of Chapter each January at membership meeting and each month at board meetings
- Attends and participates in all monthly board meetings and Chapter programs
- Participates in other Chapter events, committee meetings, and conferences as available
- Represents Chapter professionally and ethically in all business functions/organizational activities
- Time available to fully participate in Chapter and board meetings, and represent the Chapter regionally and nationally
- Member of ACRP and Chapter

Sample Document 2: Simple Annual Budget

**Sample of Simple Budget**

<b>Revenues</b>	<b>Current Year Budget (2018)</b>	<b>Past Year Budget (2017)</b>	<b>Past Year Actual (2016)</b>	<b>Past Year Actual (2015)</b>
Dues	\$10,000	\$9,975	\$8,900	\$7,261
Meetings and Events	\$12,000	\$11,290	\$10,434	\$10,580
Royalties from Endorsement	\$1,200	\$1,292	\$956	\$300
Advertising	\$500	\$489	\$384	\$292
<b>Total Projected Revenues</b>	\$13,700	(SUM)	(SUM)	(SUM)
<b>Expenses</b>				
Meetings and Events	\$8,000	\$7,564	\$8,100	\$6,987
Offices Expenses including supplies, telephone, stationary, copies and postage	\$200	\$189	\$587	\$975
Accounting expense	\$400		\$156	\$176
Legal expense				
Website				
Insurance				
Miscellaneous				
<b>Total Projected Expenses</b>				
	(SUM)	(SUM)	(SUM)	(SUM)
<b>Net Profit (Revenues minus expense)</b>	(SUM)	(SUM)	(SUM)	(SUM)

## Sample Document 3: Detailed Annual Budget

### Sample Document 3: Detailed Annual Budget

Annual XXX Chapter Budget													
PROGRAM REVENUE	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Membership	500	500	500	500	500	500	500	500	500	500	500	500	6,000
Newsletter			100				100					100	400
Symposium										5,000			5,000
<b>Total Revenue</b>	<b>500</b>	<b>500</b>	<b>600</b>	<b>500</b>	<b>500</b>	<b>600</b>	<b>600</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>5,600</b>	<b>500</b>	<b>11,400</b>
<b>FUNCTIONAL EXPENSES</b>													
Contracted Services			150			150				150		150	600
Postage	25	25	100	25	25	100	25	25	25	100	25	100	600
Supplies	50	50	50	50	50	50	50	50	50	50	50	50	600
Miscellaneous Expense	15	15	15	15	15	15	15	15	15	15	15	15	180
Printing/Production	100		100			100		100		100	750		1,350
Accounting Fees			500										500
Legal						500						500	1,000
Insurance	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Bank Fees	30	30	30	30	30	30	30	30	30	30	30	30	360
Meals & Breaks			100			100			100	1,500		100	1,900
Speaker Exp. & Fees			50			50			50	1,000		50	1,200
AV Costs			50			50			50	500		50	700
Travel			50			50			50	250		50	450
<b>Total Expenses</b>	<b>320</b>	<b>220</b>	<b>1,295</b>	<b>220</b>	<b>320</b>	<b>1,195</b>	<b>320</b>	<b>220</b>	<b>570</b>	<b>4,445</b>	<b>220</b>	<b>1,295</b>	<b>10,640</b>
<b>Net Income</b>	<b>180</b>	<b>280</b>	<b>(695)</b>	<b>280</b>	<b>180</b>	<b>(595)</b>	<b>180</b>	<b>280</b>	<b>(70)</b>	<b>1,155</b>	<b>280</b>	<b>(695)</b>	<b>760</b>

## Sample Document 4: Budget Variance Report

Budget Variance Report  
Chapter Fall Symposium  
For the Nine Months Ending September 30, 20XX

	--- Year to Date ---			Annual	- Year End Projection -	
	Actual	Budget	Variance	Budget	Actual	Variance
<b>INCOME</b>						
Registration	\$ 5,250	\$ 5,000	\$ 250	\$ 5,000	\$ 5,250	\$ 500
<b>EXPENSES</b>						
Awards/Recognition	\$ 271	\$ 300	\$ 29	\$ 300	\$ 325	\$ (25)
Speakers	\$ 2,420	\$ 2,500	\$ 80	\$ 2,500	\$ 2,620	\$ (120)
Meals & Breaks	\$ 857	\$ 900	\$ 43	\$ 900	\$ 857	\$ 43
Supplies	\$ 64	\$ 100	\$ 36	\$ 100	\$ 64	\$ 36
Total Expenses	\$ 3,612	\$ 3,800	\$ 188	\$ 3,800	\$ 3,866	\$ (66)
Net Income	\$ 1,638	\$ 1,200	\$ 62	\$ 1,200	\$ 1,384	\$ 566

## Sample Document 5: Internal Review Program

### INTERNAL REVIEW PROGRAM

Year Ended December 31, 20\_\_

Note: The following procedures represent typical procedures, and do not necessarily include all possible review procedures.

#### Policies & Procedures P 1 of 3

- Maintains Cash Receipts Journal
- Maintains Cash Disbursements Journal.
- Prepares Statements of Revenue, Expenses, and Changes in Fund Balance for distribution to the Board of Directors on a monthly basis and to the general membership as directed by the Board.
- Maintains bank accounts as follow:

Account Number	Bank	Purpose	Signatories
-----	-----	-----	-----
-----	-----	-----	-----
-----	-----	-----	-----

- Reconciles all bank accounts on a monthly basis. Verifies reconciliation to Cash Receipts and Cash Disbursements Journal and to the Statements of Revenue, Expenses, and Changes in Fund Balance.
- Prepares (each quarter) variance analyses of actual versus budgeted revenue and expense.
- Prepares annual budget in coordination with officers and committee chairs; monitors the budget throughout the year.
- Ensures that the Chapter's reserve and investment policies are being adhered to.
- Prepares year-end statements for board, membership, and auditors and coordinates the annual audits.
- Complies with applicable federal, state, and local regulations and files reports as required.
- Maintains up-to-date insurance policies.
- Oversees retention of Chapter records.
- Coordinates periodic dues and registration reports with the Membership Chair and Conference Chair as applicable.
- Coordinates transition activities with preceding and successor Treasurers.

## Review Steps

1. Obtain copies of monthly, quarterly, and annual financial statements from Treasurer  
Observations: Date \_\_\_\_\_ Reviewer's Signature \_\_\_\_\_
2. Randomly select two monthly financial statements and tie amounts to sub-totals in cash receipts and cash disbursements journals  
Observations: Date \_\_\_\_\_ Reviewer's Signature \_\_\_\_\_
3. Test arithmetic accuracy of financial statements, cash receipts, and cash disbursement journals selected in Step 2 above.  
Observations: Date \_\_\_\_\_ Reviewer's Signature \_\_\_\_\_
4. Review bank reconciliation's to determine compliance with established procedures, arithmetic accuracy, and tie-in with cash receipts and cash disbursements journals.  
Observations: Date \_\_\_\_\_ Reviewer's Signature \_\_\_\_\_
5. Review variance analyses for compliance with established procedures.  
Observations: Date \_\_\_\_\_ Reviewer's Signature \_\_\_\_\_
6. Review financial reports made to board and to the general membership for compliance with established procedures.  
Observations: Date \_\_\_\_\_ Reviewer's Signature \_\_\_\_\_
7. Review changes in investment and reserve funds, and test for compliance with established procedures and for board approval as necessary.  
Observations: Date \_\_\_\_\_ Reviewer's Signature \_\_\_\_\_
8. Test membership rosters against dues collected.  
Observations: Date \_\_\_\_\_ Reviewer's Signature \_\_\_\_\_
9. Test insurance policies to ascertain coverage and expiration dates.  
Observations: Date \_\_\_\_\_ Reviewer's Signature \_\_\_\_\_
10. Review federal and state reports for adherence to applicable regulations.  
Observations: Date \_\_\_\_\_ Reviewer's Signature \_\_\_\_\_
11. Through discussion with the Treasurer, Membership Chair, and other officers, determine the following:
  - General financial condition of the Chapter
  - Significant trends in membership dues and in other areas of revenue and expense.Observations: Date \_\_\_\_\_ Reviewer's Signature \_\_\_\_\_
12. Determine what, if any, steps are being taken or are contemplated in view of any negative forces affecting the financial health of the Chapter.  
Observations: Date \_\_\_\_\_ Reviewer's Signature \_\_\_\_\_
13. Prepare an overall report covering the results of the review and pointing out strengths and weaknesses in the financial management of the Chapter.  
Observations: Date \_\_\_\_\_ Reviewer's Signature \_\_\_\_\_



## Appendix E: Succession Planning Guide

A critical role of board members is to ensure the longevity of the organization by meeting members and encouraging and developing them into leadership roles. Even as you are starting new as a Chapter board member, keep your eyes and ears open for people to bring into leadership situations.

If you must leave the position before the end of your term, let the Chapter know as soon as possible, and if feasible, be available for a finite time for questions from the rest of the board and/or the individual stepping into your role. This way, you keep continuity in the board as much as you can.

### *Finding and Encouraging New Board Members*

One way to engage potential leaders is in micro-volunteering opportunities, or smaller “asks.” Individuals may not be able to dedicate a lot of time up front but can jump in and help where they are needed. These smaller opportunities also give the organization’s current leadership some insights to the person’s leadership potential. Some suggested micro-volunteering opportunities are:

- Is there someone who can help put together information for an event?
- Can someone act as a greeter/sign-in person at the door?
- Do you have someone who wants to make sure the food gets ordered?
- Can someone not on the Board spruce up the website?

### *Training Your Successor*

One of the final acts as a board member is to onboard your successor. Always begin the onboarding process several months prior to incoming board members officially starting their role. This allows for a smooth transition and helps the incoming officer feel more comfortable in their new role.

When	Timing	Required Meeting	What	Who
June			<ul style="list-style-type: none"> <li>• Review of previous onboarding process</li> <li>• Update any documentation</li> <li>• Have board member review functional area, including job descriptions</li> </ul>	Chapter Board
July			<ul style="list-style-type: none"> <li>• Call for nominations</li> </ul>	Nomination Committee
August			<ul style="list-style-type: none"> <li>• Nominations finalized</li> </ul>	Nomination Committee (all nominees should be provided with a copy of the Chapter’s Vision/Mission and any necessary procedural docs to review.)
September			<ul style="list-style-type: none"> <li>• Elections</li> </ul>	Membership

When	Timing	Required Meeting	What	Who
October	First week		<ul style="list-style-type: none"> <li>Phone calls</li> </ul>	President contacts all members of board to welcome them and discuss onboarding timeline
October	First week	X	<ul style="list-style-type: none"> <li>One-on-one meetings</li> </ul>	Outgoing board members meet with incoming board members
October	9 or 16	X	<ul style="list-style-type: none"> <li>Educational onboarding</li> </ul>	New Board
November	First or second week	X	<ul style="list-style-type: none"> <li>Goal setting and budget development</li> </ul>	New Board

*Details: October Onboarding Meetings*

The one-on-one onboarding meetings in early–mid October are critical for information sharing to provide context to a board member’s direct successor. During these meetings, the outgoing board member should:

1. share perspective and historical information with incoming board member.
2. provide update on successes and challenges of position and the board.
3. Begin the transition to hand off ongoing projects.

The educational onboarding meeting should be held with the entire incoming/returning board. The objectives for this meeting are for the attendees to:

1. Learn about the organization, vision, board structure and focus areas
2. Review individual board functions
3. Learn information about Chapter operations (policies and procedures manual, insurance, stationery, budget, reimbursement, vendors, contracts, teleconference account, committee emails, survey tools, agendas and reports for board meetings and support)

*Details: November Onboarding Meeting*

Once the incoming board has met to learn about the organization and individual members have received information from their predecessors, they will need to develop their goals and budget for the upcoming year. During this meeting in early November, incoming and returning board members should work together to:

1. Review previous organizational and individual goals and budget.
2. Determine new organizational goals and budget.
3. Set process for determining individual board goals and finalize budget.