

# *Answers to Frequently Asked Financial Questions*

Jenny Hoffman and Malika Abdullah

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# Faculty Disclosure

- Faculty Name: Jenny Hoffman
- Conflicts of Interest: None
- Employer: Sigma Theta Tau International
- Sponsorship/Commercial Support: None
  
- Faculty Name: Malika Abdullah
- Conflicts of Interest: None
- Employer: Sigma Theta Tau International
- Sponsorship/Commercial Support: None

This session is not eligible for a continuing nursing education contact hour

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# Objectives

- Discover basic-level financial best practices and deadlines for STTI chapters
- Have an opportunity to ask financial questions to STTI staff

# Index Card Activity

## Front of card

- Name
- Chapter or Honor Society
- School of Nursing
- Email address
- Phone number

## Back of card

- Top 3-5 questions that you have regarding chapter finances, the treasurer role, budgets, due dates, etc.

# Who is responsible for the chapter's funds?

## Chapter board of directors = fiduciary responsibility

- Avoiding conflicts of interest
- Acting in the interests of the chapter must take precedence over personal interests of individual board members
- Acting in good faith and with a reasonable degree of care
- Providing oversight to assure that all business is transacted legally
- Protecting the assets of the corporation
- Making decisions regarding the rights and interests of members

# What are the Treasurer's Responsibilities?

- Work with the entire chapter board to establish **goals**
- Help **determine what it will cost** the chapter to accomplish goals
- Propose fiscal year chapter **budgets** to the board that are **aligned with the operational goals**
- Establish the chapter's **financial policies and procedures**
- Serve as the custodian of **chapter funds**
- Regularly **present financial status information** to the board & members during meetings
- Work with the president to complete the financial portion of STTI's **chapter annual report** & submit **IRS 990** (US chapters only), and other financial duties as assigned
- Form a finance committee to **delegate tasks** (optional)

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# Goal Setting

Aka

“The Strategic Plan”

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# What are the Benefits of Strategic Planning?

- Aligns leaders with chapter goals
- Defines clear measures for success
- Demonstrates how resources will be allocated and utilized
- Enhances the value of a membership

# Questions to Evaluate Your Past:

- What worked well last fiscal year?
- What needs to be improved from last year?
- What needs to be eliminated?

# Questions to Consider the Members' Perspectives

- What kind of membership experience do we want to create for members?
- What do we want to accomplish or improve upon this year?  
In the next few years?
- What perceptions do we want members to have about our chapter?

# Programming Goals

- What educational programs and events will the chapter offer members? How many and how often?
- What activities will be of interest to our various types of members (students, educators, clinicians, researchers, etc.)?
- Will we survey members to get this information?

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# Benefits & Services Goals...

## What Else Do You Offer Members?

- Do members see value in the benefits you offer? Do your programs and other benefits excite and entice your members to be active?
- Tangible vs. Intangible offerings
- What activities will be of interest to our various types of members? The needs of your students, educators, clinicians, researchers, and retired members are all going to be different.
- If you don't know what interests your various types of members, you then need to ask whether a survey should be prepared to gather that information.

# Communication Goals

- How will the chapter communicate with members and how often?
  - Paper newsletters or electronic newsletters?
  - Printed mailings or electronic mailings or both?
  - What email service (Outlook, Google, etc.)?
  - Chapter website, social media, other platforms?
- Will we order chapter letterhead, postcards, other items from the Print on-Demand System?
- Bulletin Board materials?

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# Recruitment and Retention Goals

- How many student and Nurse Leader candidates do we anticipate to induct each year?
- What is the chapter's invitation acceptance rate?
- How many member renewals do we anticipate receiving each year?
  - 50% of first-year members renew; 70% of established members renew

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# How can we Create an Action Plan?



<b>Strategic area</b>	<b>Priority goal</b>	<b>Action items</b>	<b>Who's responsible</b>	<b>Who else can help</b>	<b>Budgetary Considerations</b>	<b>Timeline</b>	<b>Outcome</b>

# How can we Develop a Budget?

I July-30 June

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# Budget Template

	Amount
<b>Fiscal Year: 1 July (Year) - 30 June (Year)</b>	
<b>Income</b>	
New Member Fees (\$ _____ <sup>a</sup> x _____)	
Member Renewal Fees (\$ _____ <sup>b</sup> x _____ <sup>c</sup> )	
Program Registration Fees (\$ _____ x _____) <sup>d</sup>	
Fundraising Income	
Investment Income	
<b>Total Income</b>	<b>0</b>
<b>Expenses</b>	
Induction Ceremony	
Programs/Meetings	
Postage	
Printing	
STTI Chapter Assessment Fee (deducted in September) <sup>e</sup>	
Bonding Insurance (optional)	
Chapter Liability Insurance (US chapters only; deducted in September) <sup>f</sup>	
Audit/Accounting Fees	
Travel to STTI Biennial Convention/Leadership Summit	
Bank Fees	
Fundraising Expenses	
<b>Total Expenses</b>	<b>0</b>

# Income

# What About Investments?

## Interest Bearing Accounts

- ✓ Savings Accounts, Money Market Accounts
- ✓ Safe, lowest rate of return

## Mutual Funds

- ✓ Collection of stocks, bonds
- ✓ Various risk levels

- Seek investment advice from investment professionals

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## Expenses

# What is the Chapter Services Fee?

- Covers items such as financial services, chapter training, administrative tools such as the Chapter Management System, induction materials, and more
- Deducted from the chapter's September check
- Based on the number of active members in each chapter as of 30 June, annually

# What is Chapter Liability Insurance?

- Protects chapter against liabilities that arise from its daily operations, meetings, and chapter events that do not involve dangerous activities
- Based on the number of active members in each chapter as of 1 July, annually
- Deducted from the chapter's September check



# When do we Receive Chapter Checks?

- **September**
  - Renewals & Induction dues from 1 March – 31 August
  - Chapter Services Fee and Liability Insurance deducted
- **November**
  - Renewals & Induction dues from 1 September – 31 October
- **March**
  - Renewals & Induction dues from 1 November – 28 February
  - Chapter contributions from March 1 - February 28
- **Ceremony fee(s) check**
  - 60 days after induction (if applicable)

# How do we Audit the Chapter Finances?

- *“An external audit of the books should be arranged at least biennially.”*
  - The Governance Resource for Board of Directors and Committees
- Performed by Certified Public Accountant (CPA)

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# What is Bonding and D&O Insurance?

- **Fidelity Bonding**
  - Safeguarding your chapter's assets against dishonest or fraudulent acts
- **Director and Officer Insurance**
  - Protection against any breach of duty by directors and officers of the chapter

# Developing Policies and Procedures

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# What is a ...

- Policy?
  - A clear statement interpreting a chapter bylaw and how that bylaw will be upheld, or a clear statement regarding the governance of the chapter.
- Procedure?
  - Consists of a detailed description of the process(es) used to support the policy

**\*\*Policies and procedures may NOT be in direct conflict with the bylaws**

# Where do we Start?

## Format

- Policy Title
- Purpose Statement
  - Description of the policy
  - Reason for implementation
- Procedure
  - Step-by-step process to be followed
  - Identifies responsible parties
  - Details timeline and can be date-specific

## Suggested Content

- Officer transitions
- Accounting system / Records
- Direct deposit
- Investments
- Audits
- Budget process
- Disbursement of funds
- Expense vouchers

# Title: Biennial Convention - Chapter funding

- **Issue:** Chapter-supported funding to biennial convention for delegates
- **Policy:** Per STTI bylaws, each chapter is obligated to send at least one delegate to each biennial house of delegates. The chapter will provide the following monetary support for each delegate:
  - Delegates not attending in another capacity (speaker, STTI board member, etc.) reimbursed the entire registration cost and 50% of cost for travel, hotel and food.
  - Delegates attending in another capacity (speaker, STTI board member, etc.) reimbursed 50% of the registration cost and 50% of cost for travel, hotel and food.
  - NOTE: Delegate must attend the entire House of Delegates to be reimbursed
- **Policy review:** This policy will be reviewed annually, or as needed.
- **Approval date/approving party:** 01 July 2014; Chapter board of directors
- **References:** Chapter reimbursement policy and procedure

# Create a Policy & Procedure Exercise

Group 1 —

Group 2 —

Group 3 —

Group 4 —



# Other Financial Responsibilities

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# Why do we Complete an IRS Form 990?

15 November Deadline for US Chapters Only

## Chapters are:

- Independent, **autonomous** organizations
- Affiliated with STTI
- 501(c)3

## Chapters are **NOT**:

- Included in the 990 STTI submits to the IRS
- A program or budget item of the academic institution to which you are partnered

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**Warning:** IRS will revoke the tax-exempt status of your chapter if it fails to meet its annual filing requirement for three consecutive years.

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# What do we Need to File the 990?

- ✓ Chapter's legal name and any other names your chapter uses
- ✓ Chapter's mailing address
- ✓ Chapter's employer identification number (EIN) - Federal ID number
- ✓ Name and address of a principal officer of your organization
- ✓ Chapter's annual tax period (fiscal year, 1 July-30 June)

# What is the Chapter Annual Report?

- Submitted in August each year
- Divided into two categories:
  - Activity
  - Finance
- The on-time submission of this report is a bylaws requirement

# What Should be Reported?

- Provide updates to the Board on a regular basis
  - Cash balance
  - Income brought in
  - Expenses paid
  - Budget tracking
  - Progress of future budget planning
- Provide updates to the membership at the required Annual Business Meeting
  - Financial “state of the chapter”

# Can our Chapter Fundraise?

- Check with local government to obtain laws/requirements regarding fundraising
  - Does the chapter have to register as a fundraising organization?
  - Are specific permits required?
- Collaborate with board and programming committee to plan expenses and anticipated income of fundraising events
- Allocate funds to the chapter budget appropriately

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I'm overwhelmed ... Can I Delegate?

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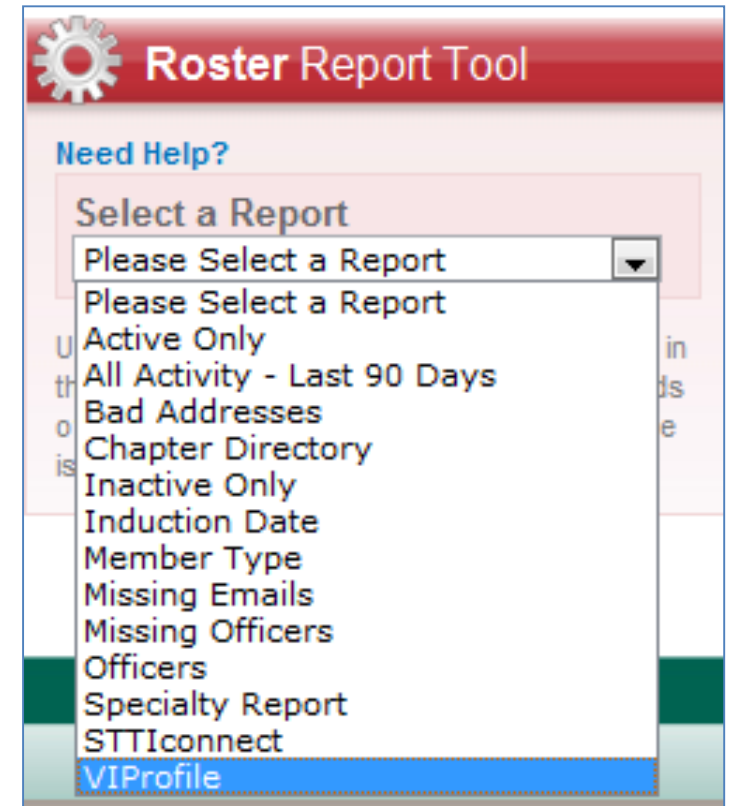
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# Yes – To a Finance Committee

- Purpose
  - Assists treasurer in financial management functions
  - Monitor chapter's financial status
  - Support budget development process
  - Review fiscal policies & procedures
  - Assist with selection of auditor
  - Other duties as assigned
- Members
  - VIPprofile
  - New Members
- Approval from the board



The Circle → “My Profile” (under the photo box) → All Chapter Officers

## All Chapter Officers

The All Chapter Officers group is comprised of officers from all STTI chapters. Its purpose is to provide chapter leaders with opportunities to network, collaborate and share resources.

Announcements

Discussions 730

Library 171

Events 88

Members 4.6K

### Latest Discussions



#### RE: Oct. 5th Day of service

By: [Michelle Lilly](#), 1 hours ago

Posted in: [All Chapter Officers](#)

Hi Joyce, We do have the President Call to Action brochure , which talks about 90 minutes of service on Founder's Day (5 October). In terms of having promotional material ONLY on that topic, I do not think we have anything at this time. I will talk to our teammates in Marketing to see what we might be able to share.



#### Oct. 5th Day of service

By: [Joyce Cappiello](#), 16 hours ago

Posted in: [All Chapter Officers](#)

Dear Michelle, Does STTI have any promotional material that chapters can use to discuss the Day of Service on Oct. 5th as described by Hester Klopper in her address at the biennial convention? Thanks.



#### Clinical help in the Chicago area

### Announcements

#### Link to Management System

The Chapter Management System is used to submit and pull reports (Chapter Annual Report, Bylaws, etc.)

<http://management.nursingsociety.org>

options ▼

#### Get resources to create member connections

Connect with various membership segments easily by completing the Creating Connections Request Form. Use these resources to host an event, or to simply reach out via email.

[Creating Connections Request Form](#)

options ▼

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Questions?

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