



Basics of Budgeting

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Faculty Disclosure

- Faculty Name: Jessica Wendorf
- Conflicts of Interest: None
- Employer: Sigma Theta Tau International
- Sponsorship/Commercial Support: None

This session is not eligible for continuing nursing education contact hours

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Objectives

- Learn the types of income and expense to include in your chapter budget
- Complete a budget worksheet

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

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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)

The Honor Society of Nursing,
Sigma Theta Tau International, Incorporated
2015-2017 Biennium
Chapter Bylaws Form
Effective for Chapters, At-Large Chapters
and Alumni Chapters
November 2015 - December 2017

Chapter Greek Name: _____
 Institution(s) of Higher Education and Practice
 Settings(s): _____

 Chapter # _____ Region _____

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ARTICLE I. NAME, KEY AND SEAL
 The name of this chapter of the International honor society of nursing is _____
 Chapter of the Honor Society of Nursing, Sigma Theta Tau International, Incorporated, located at _____

 it shall use the official key and seal of the Society.

- ARTICLE II. Purposes**
 The purposes of this Society shall be to:
1. Recognize superior achievement.
 2. Recognize the development of leadership qualities.
 3. Foster high professional standards.
 4. Encourage creative work.
 5. Strengthen commitment to the ideals and purposes of the profession.
 6. Provide support, including funding, to other organizations exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code.
 7. Assist and engage in any other activities which are permitted to be carried on by organizations exempt from federal income taxation under

Section 501(c)(3) of the Internal Revenue Code.

ARTICLE III. STATUS
Section 1. Nonprofit Organization
 This organization is a nonprofit corporation and does not contemplate the distribution of gains, profits or dividends to the members.

Section 2. Limitation of Activities
 No substantial part of the activities of this chapter shall consist of carrying on propaganda or otherwise attempting to influence legislation, and the chapter shall not participate or intervene in any political campaign on behalf of any candidate for public office.

- ARTICLE IV. MEMBERSHIP**
Section 1. Categories of Membership
 a. Regular Member
- Section 2. Qualifications for Regular Membership**
 a. Sigma Theta Tau International does not discriminate. Candidates are qualified for membership so long as eligibility requirements are met.
 b. Student candidates shall have demonstrated superior academic achievement, academic integrity and professional leadership potential.
 c. Regular Member
 1) Students in Basic Program
 a) Definition – Basic program is defined as an accredited baccalaureate or equivalent nursing degree program that leads to the first professional nursing degree.
 b) Academic Achievement – Students shall be eligible for membership if they have achieved excellence according to the standards approved by the Society.
 c) Rank In class – Students shall rank not lower than the highest 35 percent of their class in scholarship.

Use the requirements listed in the chapter bylaws



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You Need A Budget.



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Getting Started: Questions to Evaluate Your Past

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

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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?

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I July-30 June

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Income

- **New Member Dues**
 - Many chapters set this at a lower amount, since many new members are students
 - Consideration: New members renew at an average of 30%
- **Renewing Member Dues**
 - Average chapter renewal rate is about US \$30
 - Consideration: Average member renewal rate is 70%
- **Donations to the chapter through membership renewal**

Income

- Event/Program registration fees
 - Difference in charge for members and nonmembers?
 - Required induction ceremony fee?
- Fundraising
 - Check that local laws don't prohibit/limit fundraising activities
- Investments
 - Consult a professional before choosing

Chapter Checks

- **March**

- Renewals & New Member dues returned to chapter
- 1 November – 28 February

- **September**

- Renewals & New Member dues returned to chapter
- 1 March – 31 August
- Deductions for chapter services fee and liability insurance

- **November**

- Renewals & New Member dues returned to chapter
- 1 September – 31 October

- Induction ceremony and guest fees arrive separately, 60 days after induction (if applicable)

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Expenses

- Induction ceremonies (1 required annually)
- Events/Programs that meet the mission of STTI (2 required annually)

Budget considerations for these items include:

- Food/beverage
- Audio/Visual
- Venue
- Speaker fees
- Registration software
- Communication/publicity costs

Expenses

- Business meeting (1 required annually)
 - Printed Board reports?
 - Voting?
- Board meetings
- Deductions from September check (Chapter Services Fee & Liability Insurance)

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

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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

Expenses

- **Printing**
 - Reports for business meeting
 - Recruitment and member collateral
 - Induction/event programs
- **Postage for member correspondence**
 - Renewals
 - Newsletters
 - Postcards

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Expenses

- **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
- **Additional insurance for one-time events**

Expenses

- Grants, scholarships, membership subsidies
- Audit/accounting fees
 - Internal review every year
 - External review every 2 years
- Bank fees

Expenses

- Purchasing fundraising items in bulk
 - Books
 - Magnets
 - Apparel
- Travel and registration costs for Biennial Convention and Leadership Connection
 - Biennial convention House of Delegates is a requirement
 - Leadership Connection is the event for intensive, hands-on chapter leader training

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 (Financial)

- 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

Additional Financial Considerations

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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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Financial Section of the Chapter Annual Report

- Submitted in August each year
- On-time submission is a requirement
- Divided into two categories:
 1. Activity
 2. Finance

Verification of Renewal Fees

- Can change the dues charged to new members or renewing members once per biennium.
- Form is open January-March every year in the Management System
- Changes limited by Consumer Price Index (CPI) percentage increase based on your last chapter dues adjustment

Consider appointing finance committee

- Monitor chapter's financial status
- Support budget development process
- Review fiscal policies & procedures
- Assist with selection of auditor
- Other duties as assigned by treasurer

Folders

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- All Chapter Officers
 - Bylaws
- By-Position Resources
 - Counselor
 - Awards Chair
 - Archivist
 - Governance Committee
 - Leadership Succession Committee
 - Membership Ambassador
 - Membership Involvement Committee
 - Newsletter Editor and Publicity Committee
 - President and President's-Elect
 - Research
 - Secretary
 - Treasurer and Finance Committee
 - Verification of Renewal Fees
 - IRS tax filing requirements (US chapters)
 - Investing in Assets
 - Financial Policies and Procedures
 - Expense Vouchers
 - Chapter Checks
 - Budget
 - See "Chapter Annual Report" folder

Folder Contents

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- Answers to Frequently Asked Financial Questions
- Slides for 2016 Treasurer's Webcast
- Strategic Planning for Chapter Treasurers
- Video: 2016 Treasurer's Webcast

Questions?

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