

IEEE Sections Congress Financial Management for Section Operations



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Introduction

- Who am I?
 - IEEE Canada (Region 7) Treasurer
 - Senior Member
 - IEEE Member for 20 years and volunteer for 17
- Today's Presentation
 - Informal
 - Feel free to ask questions
 - Feel free to offer comments

Topics for Discussion

- Introduction
- Getting Started
- Banking
- Setting Up Books
- Setting Budget
- Reporting
- Audits
- Closing Remarks

Getting Started - Operating Principles

- In addition to IEEE Headquarters Guidelines, IEEE Entities should also have the following principles:
 - Budget Development
 - Operating Reserve
 - Expense Claim
 - Audit
 - Treasurers

Getting Started – Bookkeeping

- Paper or Electronic
 - Paper – difficult and time consuming to get any level of detail or to create reports
 - Electronic – easy to use and fairly inexpensive
- Software Choices
 - Quickbooks Pro/Basic
 - Simply Accounting
 - Quicken
 - Others?
- Obtain Financial records from predecessor

Getting Started - Banking

■ Bank Accounts – Chequing and Savings

- Large sections with large chapters may wish to maintain independent finances
- Some entities have multiple accounts: Chequing, Savings, Investments, IEEE Concentration Banking Account, (Regional Assessment)

■ Account Signing Authority

- Identify who should have access
- IEEE Headquarters and bank both have signature cards that will need to be completed
- One person should coordinate getting signature cards completed
- Start process at least 8 weeks in advance of taking office
- Have at least two signatures on cheques
- Deposits and transfers should be made by entity treasurer

Setting Up Books

- Level of Detail
 - Should match the L-50 (as a minimum)
- Revenues
 - Rebates, Headquarters Support, Corporate Donations, Conferences, Technical or Non-technical Meetings, Sales, Interest on Investments
- Expenses
 - Conferences, Technical or Non-technical Meetings, Committee Activities, Executive Meetings, Banking Charges

Setting Up Books - Examples

Revenues

Publications

Canadian Journal (CJECE)

Advertising

Subscriptions

Financial Support

Total Canadian Journal (CJECE)

Canadian Review

Advertising

Subscriptions

Total Canadian Review

Total Publications

Expenses

Student Activities

Committee Travel

Student Paper Competition

Student Workshop

Meeting Expenses

Student Travel Expenses

Total Workshop

Other

Total Student Activities

Setting Budget - Principles

■ Highlights

- *Region 7 will operate on a balanced budget, i.e. operating expenses will not exceed 90% of anticipated income.*
- *Region 7 will maintain a minimum operating reserve of 50% of annual income. This reserve will be invested in a secure long term investments.*
- *Operating consists of meeting expenses, expenses associated with approved committee activities, publication expenses, office expenses, any capital expenditures and other approved ongoing activities.*

Setting Budget – Process

- For next year's budget, process commences in current year:

Beginning of August (2005)	Issue 06 Budget Guidelines
Last week of August	Develop Prelim Budget
Second week of September (done in conjunction with Excom Strategic Planning Meeting)	Budget Review Meeting
Third week of September	Circulate proposed budget
October Board Meeting	Present and get feedback
November	Incorporate changes
January	Finalize Budget
April	Distribute finalized budget
May Board Meeting	Approve Budget

Setting Budget – Request Form

IEEE Canada Budget Request Form			
Group Committee:			
Group Committee Chair:			
Committee:			
Committee Chair:			
Date Submitted:		Approved:	
		Date:	
Approved Budget/Spent			
Committee Objectives:			
<p>Describe the committee's goals and activities for the calendar year. Provide the following: who, what, when, where and why. The more detail you provide increases the likelihood of budget approval. Include in your discussion the benefit to IEEE Canada.</p>			
Budget Request:			
<p>Please include as much financial information as you have at this time, including any detailed quotes. Be sure to include any special project expenses and/or capital expenses. Be sure to include in chronological order:</p> <ul style="list-style-type: none"> • Total estimated expenses for year. • Total revenue from all sources. • Total funding from external sources. For example: IEEE Canadian Foundation 			

Setting Budget – Management

■ Variance to Budget

- Monthly Reconciliation to Bank Statements
- Currency Exchange (non US entities)
 - Weak Currency vs. US Dollar
 - Strong Currency vs. US Dollar

■ Cheques

- Suggest a minimum of three signatories on account and two of the three to sign
- Treasurer should not write cheques to himself.

Reporting – Through Out Year

- Quarterly Basis
 - Cheque Register
 - Year to date expenses vs. Budget
 - Reporting back to Excom and/or board (if applicable)
- Why
 - Protection for you and your entity

Reporting – Year End

- Year End Actual vs. Budget
- Year End Assets and Investments
 - Assets have depreciation
- L-50
 - Forms and instructions are available via web

Audits

- Two Types of Audits

- Internal and external

- Why Audit

- Ensures Bookkeeping principles are being followed
- Ensures accuracy
- Protection – you, your executive committee and general membership
- Auditors report gives more clout

Audits - Internal

■ Internal Audit

- Peer review done by Audit Committee
- Audit Committee should be individuals that have nothing to do day-to-day financial management.
- Review the following: Deposits, Cheques, Expense Claims, Record Keeping Procedures
- Done each Spring for prior year

Audits - External

- Done by independent auditor or IEEE Headquarters
- Suggest independent audit every three years or when treasurer changes

Closing Remarks

■ Helpful Web Links

- <http://www.ieee.org/organizations/rab/scs/Resources/financial.htm>
 - Very Good General web site with everything from job descriptions to training materials
- http://www.ieee.org/organizations/rab/scs/Required_Reportin_g/L50_Financial_Report.htm
 - This link has Treasurer's Handbook, Examples of Chart of Accounts and Glossary of financial terms

■ Staff

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