



VAREP LOCAL TREASURER'S GUIDE



VAREP
VETERANS ASSOCIATION OF
REAL ESTATE PROFESSIONALS

Welcome and thank you for volunteering your time as the VAREP the VAREP Local Chapter Treasurer. The Treasurer shall be the custodian of the funds and securities, and the collecting and disbursing officer of the Chapter. She/he shall deposit the funds and securities in such depositories and in such manner as the Chapter Board may designate and direct, and shall be relieved of responsibility while they are in the custody of such depository, subject, however, to any liability under his/her surety bond. She/he will receive financial reports from the VAREP National Staff Accountant and report back to the board regarding the chapter's funds.

The Treasurer's responsibility include:

- Organization bank accounts
- Depositing cash and checks
- Paying the bills
- Drawing up the budgets
- Keeping track of the outgoings and incomings so that the organization knows how they are tracking in relation to the budget
- Monthly Treasurer's Reports.

Anyone taking on the role of Treasurer in a non-profit organization must have, or needs to learn a basic understanding of accounting and a working knowledge of the laws governing the organization's operation. This may sound daunting, but most accounting is commonsense once you understand the basics - it's about money coming in, and money going out.

Some people on the Board may not have well-developed financial skills and you need to be able to explain your reports simply and clearly. Being Treasurer of VAREP Chapter is an honor and comes with great responsibility. An active and alert Treasurer can ensure your VAREP chapter is able to extend its activities, resulting in greater benefits to the wider community.

Local Chapter Bank Account

Each Local Chapter shall set up a bank account approved by VAREP National. There will be four signers on the account. They are:

- Son Nguyen – President
- Dustin Luce – Corporate Secretary
- Chapter President
- Chapter Secretary

Note: Each chapter is operated under the VAREP National EIN #45-2458485. VAREP National must have access to the local chapter accounts for monthly/yearly auditing, P&L preparation

and tax filing. All monies deposited or taken out of the Local Chapter account must have approval by the local board and recorded in the secretary's meeting minutes as a paper trail.

Annual Local Chapter Administrative Dues to VAREP National

VAREP National will provide various support services for local chapter including all marketing design and local chapter web development support. To help support VAREP National local chapter support, local chapters will pay 10% of its income with an annual cap of \$5,000.

Director and Officer's Insurance

The annual premium of the Director and Officer's Insurance and General Liability Insurance will be divided among the local chapters in operation and allocated accordingly.

Treasurer Reporting Guidelines

The VAREP fiscal year is January 1 through December 31. Monthly reports are due by the 5th of every month and annual reporting is due by January 15th following the end of the fiscal year.

- Monthly's Reporting. The treasurer's report informs the local chapter's financial activity for the past month. You should present a "Monthly Treasurer's Report" and present it at the monthly board meeting, for the board's approval. After the board has reviewed your treasurer's report and verified that it is reconciled with the bank statement, a member moves to accept the treasurer's report. The motion is seconded and the club votes on the motion. If the motion is approved, the secretary enters the treasurer's report into the minutes. All bank statements, bills, monthly treasurer's reports, annual summary financial reports, and receipt books become part of the local chapter's permanent records. Additionally, these records will be given to and kept by VAREP National.

Note: VAREP national will audit the treasurer's monthly and annual reporting to confirm accuracy with bank account, income and expenses. VAREP National will produce and provide the local treasurer with the monthly and annual P&L statements and balance sheets after auditing.

MONTHLY TREASURER'S REPORT (SAMPLE)
VAREP (INSERT CHAPTER NAME)

November 14, 2013 – December 14, 2013

CHECKING ACCOUNT

BALANCE ON HAND 11/14/2013 **\$ 4,250.00**

INCOME

| | | |
|--------------------------------------------------------|-------------|--------------------|
| 11/15 DEP: Wells Fargo Sponsorship for Golf Event | \$ 1,450.00 | |
| 11/17 DEP: Chase Sponsorship for Golf Event | 750.00 | |
| 11/22 DEP: ABC Escrow for Golf Event | 350.00 | |
| 12/05 DEP: Golfing Financial Literacy Fundraiser Event | 5,000.00 | |
| TOTAL | 7,550.00 | |
| TOTAL INCOME | | \$11,800.00 |

EXPENSES

| | | |
|----------------------------------------------------|-----------|-------------------|
| Ck # 3150 Cajon Council, insurance premium | \$ 195.00 | |
| Ck # 3151 Mary Smith, Carnival expenses | 55.00 | |
| 12/10 Monthly Bank fee | 10.00 | |
| Ck # 3153 Patty Harper, hospitality | 7.49 | |
| Ck # 3154 ABC Catering Company | 120.00 | |
| Ck # 3155 VOID | 0.00 | |
| Ck # 3156 REALTOR Booth Cost | 260.00 | |
| Ck # 3157 Susan Bird, office supplies | 15.29 | |
| Ck # 3158 VOID | 0.00 | |
| Ck # 3159 Beverly Anderson, postage | 3.70 | |
| CC Debit Card – Golf Course Payment | 2,000.00 | |
| CC Debit Card – Catering for Golf Tourney | 3,000.00 | |
| Check # 3152 John Doe – Reimbursement for Expenses | 563.26 | |
| TOTAL EXPENSES | | \$6,229.74 |

BALANCE ON HAND 12/14/2013 **\$5,570.26**

Include copy of bank statement, expense reports, receipts and vendor invoices that agrees with the total adjusted balance, directly above.

Prepared by: _____

Accepted by: _____

Treasurer's Signature _____

Chapter President's Signature _____

Date: _____

Date: _____

Income:

To prepare for your first budget planning session, you will need to study all your income sources and look at where your money goes.

- **Donations:** Money from well-wishers will probably be among your top income sources. Your contact list of past donors and future prospects will become a valuable resource.
- **Special events:** A significant proportion of many budgets comes from fundraising. Many organizations run the same fundraising events year after year, but you also need to watch for new opportunities as the success of your traditional fundraising activities may vary from year to year.
- **Membership Dues:** Many not-profit organizations get a proportion of their income from membership fees, so it is important to keep a close eye on when memberships fall due, so you can remind your members to renew promptly. **Note:** The \$99.00 national membership fee goes to VAREP national. If chapters choose to charge a local membership fee, it must be approved by VAREP National – all local membership fees will be kept by the local chapter.
- **Grants:** Many non-profit organizations receive grants from philanthropic bodies or from federal, state or local governments. These grants are usually in the form of a contract with agreed outcomes. A key responsibility in managing contracts is to be aware of the milestones and the reporting and delivery conditions under the contract. Also read the fine print and be aware of the legal and financial implications if you do not meet the contract's specifications. Be sure to factor into the project budget your own contributions – your administrative costs, the time of your volunteers, the management required from your staff. It is human nature not to factor in all the little costs, such as the time it takes to answer the phone, postage costs, and parking costs. Remember when you are preparing a project budget for a grant, that unless you are careful your total costs may be larger than the grant request!
- **Sponsorship:** Annual and event sponsorships are an important source of funding for Chapters and are considered "restricted funds" because they are given in exchange for specific entitlements and benefits to the sponsor. VAREP Chapters may only entertain annual or event sponsorship relationships with organizations whose products, purpose or corporate philosophy are not in conflict with the VAREP mission.

Expenses:

Expenditure sources are either fixed or variable:

- Fixed costs remain fairly constant and include items like rent, electricity, leases and wages.
- Variable costs may change from year to year and include items like publicity and advertising, room rental and catering for special events.

Budgeting – Eight Simple Steps

Budgeting is simply the process of planning your organization's finances for a specified period, usually 12 months. It is made up of all the activities you plan to undertake in the next 12 months expressed in terms of money. In other words, it is a statement of anticipated sales, expenditure, profits and cash-flows.

A budget is a key management tool, as many non-profits operate without capital or reserves, so operating losses can have a devastating impact. Your budgeting will tell you whether your income is likely to exceed your expenditure, and if so by how much. The Treasurer does not usually write the budget alone. It is prepared in consultation with the Board and staff.

A common way of determining the budget is to refer to the past period as a baseline then adjust the revenues and costs by applying a percentage increase for inflation or making alterations for expected changes in prices and volume. Budgets prepared this way are called incremental budgets. This method has its disadvantages as it does not consider whether activities and costs are still appropriate: if a mistake is made one year, it is likely to be repeated the following year.

With zero-based budgeting, you start from scratch each year and justify spending on a cost-benefit basis. It is not usually practical to use zero-based budgeting for all your activities as it would be too time-consuming, but you should review your activities regularly to see if the costs are still relevant.

One practical approach is to use the incremental approach for fixed costs and a zero-based approach for special projects.

Travel and Other Expense Reimbursement Policy

- I. **Purpose.** The Board of Directors of VAREP, Inc. DBA Veterans Association of Real Estate Professionals (VAREP) recognizes that Board Directors, officers, and employees (Personnel) of VAREP, Inc. may be required to travel or incur expenses from time to time to conduct business on behalf of VAREP or to further its mission.

The purpose of this policy is to ensure that:

- a) Adequate cost controls are in place;
- b) Travel and other expenditures are appropriate; and,
- c) To provide a uniform and consistent approach for the timely reimbursement of authorized expenses incurred by personnel. It is the policy of VAREP to reimburse only reasonable and necessary expenses actually incurred.

When incurring business expenses, VAREP expects personnel to exercise discretion and good business judgment with respect to those expenses, and to be cost conscious and spend VAREP's money as carefully and judiciously as the possible.

- II. **Expense Report.** Expenses will not be reimbursed unless the personnel requesting reimbursement submits a written expense report. The expense report, which shall be submitted at least monthly or within 30 days of the completion of travel if travel expense reimbursement is requested, must include:
- The individual's name;
 - If reimbursement for travel is requested include: the date, origin, destination, and purpose of the trip, including a description of activities during the trip;
 - The name and affiliation of all people for whom expenses are claimed, i.e., people on whom money is spent in order to conduct VAREP's business (VAREP will not pay or reimburse companion travel under any circumstances unless it is spent in order to conduct VAREP's business); and
 - An itemized list of all expenses for which reimbursement is requested, with receipts as described below.

III. Receipts.

- Receipts are required for all expenditures billed directly or indirectly to VAREP.
- No expense will be reimbursed to personnel unless the person requesting reimbursement submits, with the expense report, a receipt from each vendor. The receipt must include the vendor's name, a description of the services provided, the date, and the total expenses, including tips.

IV. General Travel Requirements.

- All travel must be approved by a VAREP National officer for all staff travel. In the case of a VAREP Local Chapter, all travel must be approved by the Chapter President or Treasurer and approved in advanced by the majority of the board through voting (recorded in the meeting minutes) of all trips involving air travel or at least one overnight stay and any out-of-state travel.
- Personal and Spousal Travel Expenses. Personnel traveling on behalf of VAREP may incorporate personal travel or business with their VAREP trips; however, personnel shall not arrange travel at a time that is less advantageous to VAREP or involving any greater expense to VAREP incurred as a result of personal travel, including but not limited to extra hotel nights, additional stopovers, meals or transportation, are the sole responsibility of the individual and will not be reimbursed by VAREP. VAREP shall not reimburse expenses associated with the travel of an individual's spouse, family, or friends.

V. Air Travel

- General. Air travel reservations should be made as far in advance as possible in order to take advantage of reduced airfares. VAREP, Inc. will reimburse or pay only the cost of the lowest coach class fare actually available for direct, non-stop flights from the airport nearest the person's home or office to the airport nearest the destination.
- Saturday Stays. Personnel traveling on behalf of VAREP are not required to stay over Saturday nights in order to reduce the price of an airline ticket. Personnel who choose to stay over a Saturday night shall be reimbursed for reasonable lodging and meal expenses incurred over the weekend to the extent the expenses incurred do not exceed the difference between the price of the Saturday night stay ticket and the price of the lowest price available ticket that would not include a Saturday night stay. To receive reimbursement for such lodging and meal expenses, personnel must supply, along with the expense report, documentation of the amount of the difference between the price of the Saturday stay and the non-Saturday stay airline tickets.
- Frequent Flyer Miles and Compensation for Denied Boarding. Personnel traveling on behalf of VAREP may accept and retain frequent flyer miles and compensation for

denied boarding for their personal use. Personnel may not deliberately patronize a single airline to accumulate frequent flyer miles if less expensive comparable tickets are available on another airline.

- VI. **Lodging.** Personnel traveling on behalf of VAREP may be reimbursed at the single room rate for the reasonable cost of hotel accommodations. Convenience, the cost of staying in the city in which the hotel is located, and proximity to other venues on the person's itinerary shall be considered in determining reasonableness. Personnel shall make use of available corporate and discount rates for hotels.
- VII. **Out-of-Town Meals.** Personnel traveling on behalf of VAREP are reimbursed for the reasonable and actual cost of meals (including reasonable tips).
- VIII. **Personal Vehicles.** Personnel will be compensated for use of their personal vehicles when used for business travel for VAREP. When personnel use their personal vehicles for such travel, including travel to and from the airport, mileage will be allowed at the currently approved IRS rate per mile. In the case of personnel using their personal cars to take a trip that would normally be made by air, mileage will be allowed at the currently approved rate; however, the total mileage reimbursement will not exceed the sum of the lowest available round trip coach airfare.
- IX. **Parking/Tolls.** Parking and toll expenses, including charges for hotel parking, incurred by personnel travel on behalf of VAREP for business purposes will be reimbursed. The costs of parking tickets, fines, car washes, valet service, etc., are the responsibility of personnel, and will not be reimbursed. On airport parking is permitted for short business trips. For extended trips, personnel should use off-airport facilities.
- X. **Entertainment, Business Meetings and Events.** Reasonable expenses incurred for business meetings or other types of business-related entertainment will be reimbursed only if the expenditures are approved in advance by the Director of VAREP and qualify as tax-deductible expenses.

Detailed documentation for any such expense must be provided, including:

- Date and place of entertainment.
- Nature of expense.
- Names, titles, and corporate affiliation of those entertained.
- A complete description of the business purpose for the activity including the specific business matter discussed.

- Vendor receipts, not credit card receipts or statements, showing the vendor's name, a description of the services provided, the date, and the total expenses, including tips (if applicable).

XI. **Other Expenses.** Reasonable business-related telephone and fax charges due to absence of personnel from the individual's place of business are reimbursable. In addition, reasonable and necessary gratuities that are not covered under meals may be reimbursed. Finally, reasonable emergency secretarial work and/or postal charges incurred are reimbursable for the purpose of work on behalf of VAREP.

XII. **Non-Reimbursable Expenses.** VAREP maintains a strict policy that expenses in any category that could be perceived as lavish or excessive will not be reimbursed, as such expenses are inappropriate for reimbursement by a nonprofit, charitable VAREP.

Expenses that are not reimbursable include, but are not limited to:

- First class tickets or upgrades, unless the upgrade is at no additional charge
- Any travel insurance
- When lodging accommodations have been arranged by VAREP and the individual elects to stay elsewhere, reimbursement is made at the amount no higher than the rate negotiated by VAREP. Reimbursement shall not be made for transportation between alternate lodging and the meeting site
- Discretionary spending accounts are prohibited. All expense reimbursements under accountable plans as defined by the IRS.
- Liquor or bar costs, unless liquor (or alcohol) is consumed with a meal, but only if such consumption is both moderate and reasonable.
- Membership dues at any country club, private club, athletic club, golf club, tennis club or similar recreational clubs.
- Spa, health club, or other social club charges. If payment is made, VAREP will report as compensation on the W-2 of the person receiving the benefit.
- Any tax obligations of an officer, director, employee, or trustee under any circumstances.
- Any personal services. VAREP will not pay or reimburse personal services to employees unless these services are provided to all employees on a nondiscriminatory basis under a qualified employee benefit plan. "Personal services" are any services for the personal benefit of a listed person or the family or friends of a listed person, whether provided regularly (on a full-time or part-time basis) or as needed, whether provided by an employee of VAREP or independent contractor (and whether the independent contractor is an individual or a VAREP employee). They include, but are not limited to,

services of a babysitter, bodyguard, butler, chauffeur, chef, concierge or other person who regularly runs non-incidental personal errands, escort, financial planner, handyman, landscaper, lawyer, maid, masseur/masseuse, nanny, personal trainer, personal advisor or counselor, pet sitter, physician or other medical specialist, tax preparer, and tutor for non-business purposes.

- Expenses for companion travel under any circumstances.
- Overnight retreats without the prior approval of the Director.

Expense Reimbursement Form

Name:

Address:

City, State, Zip:

VAREP Chapter:

Board Position:

Email Address:

Board Approve Date:

Expense Period

From:

To:

Business Purpose of Trip/Event Name

Itemized Expenses

| DATE | DESCRIPTION | CATEGORY | COST |
|------|-------------|----------|------|
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

SUBTOTAL \$ -

Don't Forget to Attach Receipts!

Less Cash Advance

TOTAL REIMBURSEMENT \$ -

Signature _____ Date _____

Approval Signature _____ Date _____

All requests for reimbursement must be received within 30 days of when expense occurred.