

**Treasurer Guidelines -
Sections & Divisions outside the US**

*Society of Plastics Engineers
14 Fairfield Drive
Brookfield, CT 06804*

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Society of Plastics Engineers
www.4spe.org



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An electronic copy of these Guidelines, along with sample forms and other important information, can be found at the SPE Treasurer Resources web page — www.4spe.org/communities/ld/treas_resources.php

INTRODUCTION

The Society of Plastics Engineers' Treasurer Guidelines will provide you with information regarding your roles and responsibilities as a Treasurer of a Section or Division within the United States.

If you have any questions about this manual or Treasurer responsibilities, please contact:

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ROLE OF THE TREASURER

The Treasurer receives all funds paid or contributed and deposits them in a checking or savings account. These funds can come from a variety of sources such as rebates from SPE Headquarters, receipts from special functions or events, sponsorships for Society newsletters, etc.

While the Treasurer may or may not work directly with various committees that collect monies, the Treasurer is responsible for obtaining a full report of such collections for auditing and balancing purposes.

Deposits of any funds should be made in a timely manner such that Society funds are not “sitting around” unsecured for any period of time. Similarly, Society funds should only be deposited into an appropriate Society account and never deposited into personal accounts.

Refer to SPE’s Constitution and Bylaws for more details about the role of a Section or Division Treasurer. This document can be found on the Leadership Services area of the SPE website at www.4spe.org/communities/ld

LEADERSHIP SERVICES DEPARTMENT

The Leadership Services Department has the specific purview of providing support to SPE’s Sections, Divisions, Student Chapters and Special Interest Groups (SIGs).

This department:

- Assists Sections and Divisions with general administration through administration workshops, regional Section meetings, Section and Division Board of Directors meeting visits, and staff support at SPE Headquarters;
- Assists with Section and Division newsletters and Section programming;
- Assists with the formation of new Sections, Divisions, SIGs and Student Chapters;
- Provides training in the how to manage a component of the Society (operations, marketing and communications, program development, member and volunteer recruitment, etc.)
- Serves as SPE Headquarters liaison to all Society components (Sections, Divisions, Student Chapters and Special Interest Groups)

BASICS OF BUDGETING

What is a Budget?

It is a plan of action; it represents the organization's blueprint for the coming months or years expressed in monetary terms. This means that the organization must know what its goals are before it can prepare a budget. All too often the process is reversed, and it is in the process of preparing the budget that the goals are determined.

The first function of a budget is to record, in monetary terms, what the realistic goals or objective of the organization are for the coming year.

The second function of a budget is to provide a tool to monitor the financial activities throughout the year. Properly used, the budget can provide a benchmark that will alert the Board when its financial goals are not being met. For a budget to provide this type of information and control, four elements must be present:

- The budget should be well conceived and approved by the Board.
- The budget should be broken down into increments corresponding to the periodic financial statements.
- Financial statements should be prepared on a timely basis throughout the year and a comparison made to the budget.
- The Board should be prepared to take action where comparison with the budget indicates a significant deviation.

Preparing the Budget

- Prepare a list of objectives or goals for the organization for the year.
- Estimate the cost of each goal listed. For continuing programs, last year's actual expense and last year's budget will be the starting point.
- Estimate the expected income of the organization. Organizations are sometimes overly optimistic in estimating income. This can prove to be the organization's downfall if there is no margin for error; realism must be used or the budget will have little meaning.
- Compare the expected income to the planned expenses. Sometimes the expected expenses will exceed income, and this is where some value judgments will have to be made. What programs are most important? Where can costs be reduced?
- Submit the final budget to your Board for approval.

Where to Begin

One of the best and easiest ways to allocate an annual budget into shorter periods is to first analyze the actual income and expenses for the prior year, and then allocate this year's budget based on last year's actual income and expenses.

For Sections, the budget should probably be prepared on a monthly rather than a quarterly basis to reduce the time lag before effective action can be taken. If the organization's cash position is tight, monthly statements become almost a necessity.

Using the Budget

The best-prepared budget serves little purpose if the Board is unwilling to take action once it becomes apparent that expenses are exceeding the budget or that income has not been as high as anticipated. To be useful, the budget must be a planning device that everyone takes seriously. Thus the monthly statements should be compared to the budget.

This department:

Assists Sections and Divisions with general administration through administration workshops, regional Section meetings, Section and Division Board of Directors meeting visits, and staff support at SPE Headquarters;

- Assists with Section and Division newsletters and Section programming;
- Assists with the formation of new Sections, Divisions, SIGs and Student Chapters;
- Provides training in the how to manage a component of the Society (operations, marketing and communications, program development, member and volunteer recruitment, etc.)
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Basics of Budgeting (continued)

Should expenditures be exceeding the budgeted expenses, then action should and can be taken. Many budgets fail, not because there is not enough information available, but because the Board fails to take aggressive, corrective action. In these instances, the Board is not fulfilling its responsibilities, and the budget is a meaningless formality.

Developing a Long-Range Plan

So far the discussion has centered on budgeting techniques for the current year. Almost as important, and related, are the techniques for planning further into the future than the 12-month period most budgets use. Sections and Divisions should be constantly alert to changing conditions that may alter their goals or objectives and their sources of income. Otherwise they may find themselves in unexpected financial difficulty.

One of the more effective ways to avoid the unexpected is to prepare and periodically update, a five-year master plan. The purpose of this five-year plan is to force the Board to look ahead and anticipate not only problems but also goals and objectives it wants to achieve.

The development of a five-year plan requires considerable effort, but this effort pays off in giving the Section and Division continuity. The Treasurer can be the person who initiates and pushes the Board toward developing such a plan, but should not single-handedly prepare it. To be effective, any plan of action involving the organization's program and allocation of resources must be developed by all the people who will have to live with results of the plan

There is no standard way to go about preparing a five-year plan. Probably the best way to start is to set up a committee of about three people. As with the budget committee, the people chosen for this task should be people who are in policymaking roles within the organization. There is little point in putting a person on this committee who is not both knowledgeable and influential within the organization. Otherwise the resulting document will be of relatively little value to the organization. This committee should: 1) set the goals, 2) estimate the costs, 3) plan for income, and 4) periodically review the master plan for updating.

Summary

A budget can be an extremely important and effective tool for the Board of a Section or Division in managing their affairs. However, to prepare a meaningful budget, the organization must know where it is heading and know its goals and objectives. Priorities change, and this means that many people should be involved in the budget preparation and approval process to ensure that the resulting budget receives the full support of the organization.

Once prepared, the budget should be compared to actual results on a timely basis throughout the year to ensure that the Board knows where deviations are occurring. Equally important, the Board should promptly take corrective action if unfavorable deviations occur. The foundations of a sound financial structure are a well-conceived budget, a timely reporting system, and a willingness by the Board to take corrective action.

The importance of planning into the future cannot be over-emphasized. In this fast-moving age, and because of our ever-changing leadership within the Sections and Divisions, the organization can quickly get out of step and lose continuity. A five-year plan is one technique to help ensure this will not happen.

DISBURSEMENTS

The Treasurer disburses funds in accordance with the annual budget or as otherwise authorized by the Board of Directors.

An invoice or other written documentation should be on record before any payment is made.

The Committee Chair or officer in charge of those activities must approve budgeted expenditures in writing. Typically a committee chair signs off his/her approval of an invoice and forwards it to the treasurer for payment.

Expenditures not included in the annual budget must be approved in advance by a majority of the Board of Directors, and the invoices for such expenditures approved by the Chair.

All invoices should be thoroughly checked for accuracy, paid according to terms, and the Treasurer should take advantage of cash discounts when offered.

All payments should be made by check or direct bank transfer, and should require the signatures of two officers if over a predetermined amount as designated by the Board.

It is important that the Treasurer is not solely responsible or authorized to incur expenses, write checks and reconcile bank statements. This does not provide adequate checks and balances to reasonably ensure prudent stewardship of the Society's funds.

CHECKING ACCOUNT & SURPLUS FUNDS

Each Section and Division is to maintain its own checking account as a means of providing a complete financial record.

The account should be set up as follows: “ _____ Section/Division of the Society of Plastics Engineers, Inc.” The number of signatures required for a check is to be determined by the Board of Directors.

The Treasurer should not keep a checking account greater than the Section or Division's average needs. Surplus funds are those funds that are over and above the necessary operating expenses of the Section/Division. Surplus funds should be invested safely and in accordance with an investment policy if surpluses are significant. Groups with surplus funds may wish to participate in the SPE investment program. Information can be obtained by contacting Leadership Services.

A minimum of two (2) signatures should be required for withdrawing surplus funds.

MAINTAINING RECORDS

The Treasurer will maintain the accounts following standard accounting procedures approved by the Board, including reconciling all bank and rebate statements in a timely manner and reporting any discrepancies noted. The Treasurer will preserve all financial records and will make the records available at any time to the Board of Directors, Finance and Auditing Committees.

The Treasurer prepares an accurate account of all funds received or paid out, and a statement of current financial status. Monthly or quarterly reports should be mailed to each Director prior to the subsequent Board meeting. Approval of the Treasurer's report should be an order of business of the Board Meeting.

KEY DEADLINES

For planning purposes, key deadlines are outlined below. Additional timetables and checklists are available at www.4spe.org/sectionsdivisions/ld/ldresources.htm

JUNE

Retiring Treasurers

Meet with incoming Treasurers to thoroughly review all requirements of the position.

JULY

Treasurer's Packet

You will receive the Treasurer's Packet by the end of July. This packet contains instructions and forms for filing your annual report with SPE Headquarters. Be sure to file before the NOVEMBER 15 deadline.

AUGUST

Signatory Cards

Make sure the signatory cards for your bank accounts/investment accounts contain the signatures of the correct officers (those who have access to your accounts). As people change positions on your Board, these cards must be updated.

SEPTEMBER

Annual Budget

Send a copy of your group's Annual Budget to you Leadership Liaison at SPE Headquarters. This is part of the STAR and Pinnacle requirements.

NOVEMBER

Filing Deadline

NOVEMBER 15 is the deadline to submit your Annual Financial Report with SPE Headquarters.

BONDING

If desirable, a Treasurer may be bonded by the Section or Division. This is optional and left to the discretion of each group. Bonding should be in an amount in excess of the monies, which would normally be handled during a one-year term of office.

Bonding may be secured through most local insurance agents.

AUDIT COMMITTEE

Financial records should be audited by a Section or Division Audit Committee at the close of the fiscal year (June 30).

The Treasurer should not be a member of the Audit Committee.

FINANCIAL REPORTING

In addition to maintaining records of the Section or Division's current financial status, the Treasurer is responsible for the preparation and submission of the SPE Annual Financial Report by NOVEMBER 15 of each year.

Aside from reporting described below, the Treasurer is responsible for maintaining up-to-date records of all financial transactions. Please refer to the "Maintaining Records" section of these guidelines.

SPE Annual Financial Report

The Treasurer is responsible for completing the SPE Annual Financial Report at the close of the fiscal year. (See Appendix I: SPE Annual Financial Report)

This report is available electronically on the Treasurer Resources web page (www.4spe.org/sectionsdivisions/treas_resources.php) Copies can also be obtained by contacting the SPE Leadership Services Department.

The report should be sent no later than NOVEMBER 15 to:

Leadership Services Department

Society of Plastics Engineers

14 Fairfield Dr.

Brookfield, CT 06804

USA

Attn: Section/Division Compliance

An annual financial report is to be presented to the Section or Division's membership in written form. Publication in the group's newsletter can be considered fulfillment of this requirement.

Rebate Withholding

Because of the extreme importance of this filing, Council has instructed SPE Headquarters to withhold payment of rebates until the Annual Financial Report has been received.

ANNUAL REBATE

SPE Bylaw B-51 states that in January of each year the Executive Director shall remit rebates and/or funds as set by the Council to the Section or Division Treasurer. Calculations for rebates are based on the number of paid members as of 01/01 and will be paid quarterly.

Calculations for rebates paid in the 2007+ calendar year are based on the policy adopted by Council in July 2006. See Appendix II: SPE Rebate Policy for details.

FINANCE COMMITTEE

The Finance Committee prepares the annual budget for consideration by the Board of Directors. The Board should adopt the budget for the ensuing fiscal year in June.

The Finance Committee should make recommendations to the Board concerning the investment of funds not required for current operations.

The Committee may make recommendations to the Board concerning the disposition of surplus funds, as in the form of grants, awards, or scholarships. The Treasurer is automatically a member of the Finance Committee.

APPENDIX I: SPE ANNUAL FINANCIAL REPORT

Following is a sample copy of the SPE Annual Financial Report form. An electronic copy is available at the Treasurer Resources web page (www.4spe.org/communities/ld/treas_resources.php) or by contacting the SPE Leadership Services Department. Note: Be sure to complete all sections of the form before returning it to SPE Headquarters.

Annual Financial Report for the Period: _____

Section/Division Name: _____

BALANCE AS OF JULY 1, _____ -1 _____

(Cash, checking, savings, investments)

Income	Actual	Budget	Variance
Interest & Dividends	-2		
Monthly Meetings	-3		
Board Meetings	-4		
TOPCON Receipts	-5		
Educational Programs	-6		
Newsletter Ads / Sponsorships	-7		
Grant Contributions	-8		
Scholarship Contributions	-9		
SPE Rebate	-10		
Other:	-11		
Other:	-12		
Other:	-13		
Other:	-14		
Other:	-15		
TOTAL INCOME (ADD LINES 2 - 15)	-16	\$	\$
Total Funds Available (add lines 1 and 16)	-17	\$	\$

Expenses	Actual	Budget	Variance
General Office Expenses	-18		
Monthly Meetings	-19		
Board Meetings	-20		
TOPCON	-21		
Educational Programs	-22		
Newsletter Printing / Mailing	-23		
Awards	-24		
Scholarships / Grants	-25		

ANTEC Expenses	-26			
Councilor Travel	-27			
Other:	-28			
Other:	-29			
Other:	-30			
Total Expenses (add lines 18 – 30)	-31	\$	\$	\$
Ending Balance (subtract line 31 from line 17)	-32	\$	\$	\$

Allocation of Funds on Line 32				
Checking Account				(A)
Savings Accounts				(B)
				(C)
Investments				(D)
				(E)
				(F)
TOTAL				(G)
(Amount on line G should equal amount reported on line 32)				
Section / Division Treasurer's Signature:				
Audit Committee Attest:				

Distribution:

Copy to SPE Headquarters by November 15
Copy to Section / Division Board of Directors

APPENDIX II: SPE REBATE POLICY

Society of Plastics Engineers
Policy Number 002
Rebates, Procedure for Calculating

Original Approval Date: May 1, 2005

Original Effective Date: See II.B.3 below

Revision Approval Date: 07/14/06 – reformatted by B&P Committee

Revision Effective Date: 07/14/06

I. **Scope:**

This Policy defines the procedures for determining and paying the rebate described in Bylaws Sections 15.3 and 14.7.2.3.5 of the SPE Bylaws. This Policy shall consist of four parts: determination of the total rebate pool, determination of eligibility to receive rebates, calculation of the amount of the rebate for each qualifying operating unit, and the payment schedule for these rebates.

II. **Responsibility for this Policy:**

A. Establishing Body: The SPE Council is responsible for establishment of this policy.

B. Amendment or Abolition:

1. Qualified Body: The SPE Council is the only group authorized to change this policy. This authority may not be delegated.
2. Amendment or Abolition Mechanism: This Policy may only be amended, revised or cancelled by a majority vote of those Councilors voting at a duly authorized Council meeting.
3. Effective Date: This Policy will become effective for the rebates to be paid in 2007. Changes to this Policy will become effective 60 days after the vote in II.B.2 above and following publication of the change in the Official Publication.

C. Maintaining Body: The Bylaws and Policies Committee, together with the staff at Headquarters, is responsible for the maintenance of this policy.

Policy Definition:

Determination of the Total Rebate Pool:

Finance Committee: The Finance Committee will review the financial status of the Society and recommend to the Executive Committee the amount of money to be set aside for rebates as part of the development of the budget.

Executive Committee: The Executive Committee will review and modify as needed the recommendations of the Finance Committee for presentation to the Council.

Council: The budget, including the total amount for rebates, for the next fiscal year shall be submitted to Council for consideration and action at the last regular Council meeting preceding December 31 of each year. Such submission shall be no later than 30 days before this meeting.

Eligibility to Receive Rebates

Eligible Affiliates: Each Section, Section-in-Formation, Division, and Division-in-Formation that has not been placed in Abandoned status shall be eligible to receive a rebate. A rebate to a Section-in-Formation or Division-in-Formation shall be for a period of no more than two years.

Annual Performance Requirements: To receive a full rebate, an Eligible Affiliate, as defined in III.B.1. above, must complete the following steps by December 31 of the preceding year:

Financial Paperwork: File with SPE Headquarters the Annual Financial Report and a copy of any paperwork required by and submitted to appropriate government bodies (state / commonwealth / province / national). For those Affiliates headquartered in the United States, this shall consist of IRS Form 990, 990EZ and/or Schedule A, if applicable.

Board of Directors: Elect, and record with SPE Headquarters, a Board of Directors for the current operational year including at least a:

President or Chair
President-elect or Chair-elect
Secretary
Treasurer
Councilor
Technical Programming Chair
Membership Chair

Council Participation: The Affiliate must be represented by the Councilor or a proxy at two of the four previous Council meetings.

Communication: The Affiliate must communicate with its members at least 3 times per calendar year, either electronically or via hard copy.

Goals and Plans: The Affiliate must file with SPE Headquarters an set of goals and plans for the current operational year. This document shall explicitly include plans for regular technical meetings.

Payment Schedule: Rebates shall be paid on the fourth Monday of January, April, July and October.

Affiliates meeting the 12/31 deadline will receive all four quarterly rebate payments.

Affiliates that don't meet the requirements by 12/31, but do meet them by 3/31, will receive the three remaining rebate payments.

Affiliates that don't meet the requirements by 3/31, but do meet them by 6/30, will receive the two remaining rebate payments.

Affiliates that don't meet the requirements until 9/30, will receive only the final payment.

Rebate Calculations: For each Affiliate that meets the requirements of Section III.B.1, above, the rebate calculation shall consist of two parts: the standard rebate and the actual rebate.

Standard Rebate

Per member rates: Section and Primary Division Rebates will be calculated based on a percentage of the Standard dues for each member who pays standard dues. For example, such rebates will be calculated for Senior Members, Members, and Affiliate Members. For example, rebates will not be calculated for Student Members, Student Affiliate Members, Distinguished Members, Honorary Members, Emeritus Members or members that have reported an Unemployed status. Membership shall be determined on the first working day of the current year.

Additional Division member rates: Rebates will be calculated for all members who pay the Additional Division dues.

Section Rebates

A base payment of \$300/unit
12% of the standard dues for the first 100 members
10% of standard dues for the next 200 members
9% of standard dues for members in excess of 300

Division Rebates

A base payment of \$100/unit
4% of the standard dues for the first 500 primary members
3.5% of the standard dues for the next 1000 primary members
3% of standard dues for primary members in excess of 1500
\$4.00 for each of the first 500 Additional Division members
\$3.50 for each of the next 1000 Additional Division members
\$3.00 for each Additional Division member in excess of 1500

Actual Rebate: The Actual Rebate paid to each Section and Division meeting the requirements of Step III.B.2 shall be equal to (the total budgeted rebate amount from step III.A) multiplied by the ratio of the (standard rebate from step III.C.1) to (the sum of standard rebates for all Eligible Units from step III.B.1).

As part of this rebate policy, Sections and Divisions may elect, and indeed are encouraged, to return their rebate to SPE Headquarters to assist in the work of SPE.