



Finance

OFFICER GUIDE



advocate - collaborate - educate



Congratulations!

You have been chosen by the representatives of your Interfraternity Council to represent the fraternity community for the upcoming year. Becoming the IFC Vice President of Finance is a duty not to be taken lightly, and is one that should be met with great responsibility, patience, and diligence.

The financial health of the IFC is critical to its ability to be a successful advocate for the fraternity community, provide basic services for IFC members, and to provide relevant programming and educational opportunities. To be financially stable, the IFC should ensure that accepted financial procedures are incorporated into all IFC operations and care is taken to efficiently manage and disburse all IFC monies and that the annual income of the IFC should always meet or exceed the projected expenses of the organization in delivering programs and serves for the benefit of the fraternity or campus community.

This guide was created by the North-American Interfraternity Conference (NIC) with the intention of providing you with the materials you will need to be a successful IFC officer. The NIC was founded in 1909 and is the trade association that represents 75 International and National men's fraternities. The NIC serves to advocate the needs of its member fraternities through enrichment of the fraternity experience, advancement and growth of the fraternity community; and enhancement of the educational mission of the host institutions. The NIC is also committed to enhancing the benefits of fraternity membership through its relationship with Interfraternity Councils.

While this guide was intended to be used in conjunction with the Interfraternity Council, the information in this guide can be easily shared with NPC, NPHC, NALFO, NMGC, NAPA, and other organizations. This type of interfraternal cooperation will increase the likelihood of successful implementation and maintain positive relations between all elements of the fraternity community.

For further information, you can visit nicindy.org or use the contact information that is located in the appendix of this guide.



IFC's relationship with the NIC

The NIC has a storied history of collaboration with Interfraternity Councils to offer its expertise and guidance in ensuring operational success. Given its unique position within the industry, the NIC has a responsibility to utilize its collective knowledge and experience to connect with councils in order to assist in their development of optimal operations and effective educational opportunities. The hope of the NIC is that our efforts to raise each local fraternity community will collectively raise the global fraternity community.

At any host institution where two or more NIC Member Fraternities have established undergraduate chapters, an Interfraternity Council (IFC) shall be established which will be chartered by the NIC. An IFC will be composed of all undergraduate chapters of NIC Member Fraternities present at a host institution.

What can IFC expect from the NIC?

The NIC will provide staff, resources, and services to assist Interfraternity Councils in instituting optimal operations, officer competencies, and best practices. The NIC will provide IFCs with an IFC Resource Manual and will assist IFCs in reviewing and establishing model governing documents that are in accordance with NIC Standards and policies and do not infringe upon the sovereignty of Member Fraternities and their chapters.



How will the NIC help campus IFCs?

The NIC assists councils by providing increased training and resources for IFC Executive Board officers and IFC Representatives. This support focuses on the individual development and skills of officers, as well as providing training and resources designed to advance the role of the Interfraternity Council as the primary advocate, governance and educational body for the fraternity experience within a campus and local community.

Through better interactions with IFCs, the NIC will be able to work with IFCs and host institutions to:

- Develop optimal IFC operations through dedicated staff (Coordinators of IFC Services) and volunteer positions (Regional Advocates) responsive to IFC operational needs, advocacy concerns, and policy inquiries from students and/or host institutions;
- Deliver base-level training, education, and ongoing services for all IFCs and IFC officers;
- Provide guidance and support in constitution/bylaws/policy changes, recruitment processes, and officer transitions;
- Develop resources and tools to assist IFCs with recruitment, marketing, and public relations to augment interest in joining fraternity, to better educate the potential recruit and his parents, and to promote fraternity on campus;
- Assist IFCs in crisis intervention and response, brand management, and values-based decision-making;
- Offer guidance in identifying and preempting impending issues concerning campus relationship statements, recognition agreements, and indemnification clauses;
- Provide all IFCs with IFC best practices, NIC Standards education, and other generally accepted industry policies established by the NIC;
- Provide host institutions with highly qualified volunteers who have close proximity, local expertise, and institutional knowledge; and
- Establish formal reporting mechanisms for campus data and statistical information to better track industry information and trends for use by IFCs.



Vice President of Finance Responsibilities

The IFC Constitution and Bylaws should clearly establish the role of the Vice President of Finance and his responsibilities as the primary financial officer of the organization. Specific duties should include the following:

- Serve as chair of the IFC Finance Committee
- Lead and oversee the annual budget process
- Collecting IFC member fraternity dues or other assessment as needed
- Maintain accurate records throughout the year through invoicing and receipts
- Receiving all check requests and making disbursements with a cosigner
- Review and approve all IFC Expenditure Request Forms and IFC Reimbursement Request Forms
- Prepare financial statements monthly and at the end of each term for distribution to all member fraternities and the IFC Advisor
- Make bank deposits when necessary and in a timely manner
- Providing advice and support to member chapter financial officers
- Files taxes in accordance with federal and state laws (only if needed)

The following files should have been obtained through officer transition, if any of the following materials are missing, contact your predecessor and IFC Advisor to remedy the situation:

- Copy of the annual budget with any revisions
- Check register
- Canceled and voided checks
- Deposit tickets
- Check requests with attached receipts or invoices
- Receipt book
- List of accounts payable
- List of accounts receivable
- Contact information for any campus resources
- Monthly bank statements
- Copy of invoices from previous purchase orders
- If electronic banking is used, a list of usernames and passwords



IFC Budget

An annual budget should be developed after all member fraternities have agreed upon the programs for the year. The dues structure is reviewed during the budget process and increased when necessary. Dues should be determined based upon the anticipated budget and savings needs of the council.

Budgeting:

Budgeting should follow goal setting and master planning as part of the critical elements of officer transition and preparation for a new year. A calendar of events and programs for the fiscal year will allow the IFC to forecast the financial needs of the organization for the upcoming year. A review of the income and expenses from the previous year will give an accurate overview of where money has been collected and spent in the past. The previous financial statement will be the foundation for the current budget. Adjustments to income and expenses will have to be made when considering the current budget if events or services are added, changed, or deleted from the calendar.

Typical **line item expenses** in an IFC Budget may include the following:

- Retreats
- Printing agendas, minutes, manuals, handouts, and constitutions
- Educational workshops and programming
- Recruitment activities, publications, and advertising
- New member education programs and member development
- Public relation efforts
- Community service activities
- Awards and recognition programs
- Faculty appreciation
- Newsletters
- Website
- Postage
- Greek Week activities and other special events
- Annual dues for appropriate associations
- Conference registration
- NIC Annual IFC Chartering Fees
- Registration fees for Leadership Programming such as IFC Academy, Futures Quest, and the Undergraduate Interfraternity Institute (UIFI)
- Contingency funds/savings



The budget should include a contingency account that equals 10-15% of the overall expenses. The contingency account will allow for cost overruns in budgeted areas and unanticipated, unbudgeted items such as new IFC programs developed after the budget was finalized. The contingency account may also enable the IFC to finish the fiscal year in the black.

The budget should be developed by the IFC Executive Board or an appointed finance committee with the input from all officers, committees, and chapters. The budget should be formally approved by the IFC Representatives at an IFC General Body meeting before being put to use. A sample budgeting tool is included in the appendix of this guide.

IFC Member Fraternity Dues:

It is recommended that dues be determined based upon the total expenses outlined in the budget. This allows the IFC to create a clear understanding of how IFC dues are used from term to term. IFC member fraternities also have a right to know exactly what their dues money is being spent on and by having clear budget in place, the member fraternities can see directly where their money is going.

An annual review of the member dues structure is necessary to ensure the IFC is charging the correct amount for member dues. The **IFC dues structure** can take on many forms, but the following is a sample.

- Assessment each term per total members (active and new)
- Assessment each term per total active members
- Assessment each term per new initiates (in lieu of recruitment fee)
- Flat assessment
- Flat assessment plus pro-rated assessment based on fraternity size
- Minimum and Maximum dues



Dues Increases:

As the cost of providing IFC programs and services increases, the income of the IFC must keep pace. At some point in time, IFC dues will have to be raised. An annual review of the dues structure will allow for incremental increases in dues when necessary, rather than a drastic, sudden jump in fees.

The most productive strategy for achieving a dues increase is the provision of additional programs or services within the IFC budget. With innovative thinking and possible repackaging of traditional IFC expenses, a positive report justifying the dues increase can be issued to the chapters. A dues increase proposal will also take time to implement. The issue should not be pushed through, but discussed openly during at least three meetings. The following is a guide on how to approach each of these meetings.

- Meeting One:
The dues increase proposal is introduced to IFC Representatives and is distributed so that they can relay information and discuss the proposal with their members
- Meeting Two:
The dues increase proposal is discussed based upon chapter discussions that took place the week prior – the IFC Executive Board or Finance Committee identify the pro and con issues
- Meeting Three:
The dues increase proposal is brought up for a vote, a revised proposal may need to be prepared if necessary

Elaborate Social Functions/Officer Benefits:

IFC money is under the jurisdiction of the IFC member fraternities and should only be used in ways to benefit the entire fraternity community. If IFC money is to be used for IFC Executive Board activities, it should be included in the overall IFC budget and member fraternities should be made aware of it in advance.

The purchase of alcoholic beverages does not benefit the fraternity community; will significantly increase the liability and legal exposure of both the council and individual officers; promotes an inappropriate image that is incongruent with the values of fraternity life; and in many cases may be breaking the law by providing alcohol to individuals under the age of 21. Under no circumstances should the IFC be purchasing alcohol.



Budget Balancing:

Once the IFC budget is approved, it must be strictly and consistently maintained. The use of an IFC contingency account will allow for a balanced budget at the end of the fiscal year and most likely result in a surplus. Depending on the flexibility of the IFC account, surplus of funds can be placed in an interest bearing account and earmarked for specific use.

If IFC funds are required to be in a campus account, the IFC Vice President of Finance should be aware of the policy for unused funds at the end of the fiscal year. Some institutions zero out all accounts annually. By investigating investment possibilities with the financial officers of the institution, the IFC should be able to gain interest on the surplus funds. A specific dollar amount may be required before an interest-bearing account is available.



Financial Reporting

When chapters understand IFC finances, they are usually more supportive of IFC programs and timelier in paying their dues or other outstanding debts.

Once an official IFC budget has been approved, financial reports can be easily produced. The report should include income and expenses during the given time period and in relation to the overall budget.

Any **regular financial report** (those given at IFC meetings) should include the following:

Income

- Total since last report
- Total for the term
- Total for the year
- Amount still due (member dues)

Expenses (for each line item)

- Total spent since last report
- Total spent for the term
- Total spent for the year
- Available funds to date

Auditing:

An annual audit of the financial records should be performed before the outgoing treasurer leaves office or graduates.

What is an audit?

An audit is a formal examination of an organization or individual's accounts or financial situation.

Why should we conduct an audit?

An audit should be conducted so that all expenditures made during the IFC Vice President of Finance's term in office are accounted for.

Who should conduct the audit?

The audit should be performed by a local accountant. Since this is usually a costly service, the IFC should either account for the cost of the audit into the IFC budget or try to identify a fraternity or campus alumni that would be able to provide services at a discounted rate.

What should be brought to the audit?

All financial records including receipts, copies of all monetary disbursements, copies of deposits, actual dues levied, canceled checks, ledgers, and journals will greatly assist the individual conducting the audit and should be brought for reference.



Funding Requests

With increased high quality IFC services and events, additional money will be needed. In addition to or in place of a dues increase, the IFC may want to consider making a funding request to acquire additional money. This can be done through requesting the use of student activity fees or also approaching the Student Government Association. You should contact your local Student Government Association (SGA) for information on the funding request procedure.

In preparing for funding requests, the IFC or fraternity community should be willing to supplement or match needed funds. The following should then be considered:

- **All-Campus Event Sponsored by the Fraternity Community**
This is the most likely request to be approved, especially if the event is not already sponsored, does not overlap with the purpose of another funded organization, and effectively integrates both fraternity members and non-members. The SGA is more likely to allocate funds if events are relevant to wide audience, not just the fraternity community. Also, any type of co-sponsorship with other student organizations is usually a wise idea.
- **Leadership Activities, Speakers, or Forums**
These may be approved if IFC leaders can show good justification for the expenditure. Will the activity make a difference? Is it unique, innovative, or progressive? Does the activity involve co-sponsorship with another funded organization? Co-sponsorship with another student organization will increase the likelihood of being approved.
- **All-Fraternity/Sorority Events or Internal Fraternity Life Activities**
Because this type of event is only inclusive to the Fraternity community, the funding proposal may have a higher chance of being rejected. A detailed report for the reviewing board should be presented including a breakdown of expenses, any income provided by the IFC budget, and proposed methods of accountability.



Financial Expenditures

The most professional and accountable way to improve IFC financial requests is in accordance with the IFC budget. Items specifically included in the budget may simply need final confirmation with the IFC Vice President of Finance. Items not included in the IFC budget should be approved by the entire IFC General Body, subtracted from the contingency account, and confirmed by the Vice President of Finance.

- **Budget Request Form**

The creation of a budget request form would be helpful for the treasurer to know what money is going to be spent on. A sample form can be found in the appendix, but should include the following: name of person requesting funds, reason, line item to be withdrawn from, and the amount of money requested.

- **Charge Accounts**

All charge accounts should be limited. The IFC Vice President of Finance should review the charge accounts and the charging procedure with each vendor individually. If another officer or committee chair charges an item they should provide the IFC Vice President of Finance with a receipt within 48 hours of purchase.

- **Signatures**

No IFC Executive Board officer should have the power to disburse funds from the IFC account with a single signature. Two signatures on all IFC checks and other disbursements are required to ensure the financial stability of the IFC. The two signatures will most likely be the Vice President of Finance and the IFC President. Checks should never be signed in advance to bypass the intended safeguard of having two signatures.



- **Check/Debit Cards**

The ability to attach a check card to an IFC checking account is an option that can be quite convenient for many IFC expenses. While using the check card can increase convenience, it also requires clear and consistent oversight to maintain the security of IFC's accounts. If your IFC chooses to use a check card for some expenses, it is recommended that the following steps be taken to safeguard the account and control spending.

- There should only be one card that remains in possession of the Vice President of Finance
- The card should have a reasonable maximum daily limit and maximum single purchase limit on it
- Use of the card should only be permitted for certain types of transactions, such as official IFC travel related expenses
- When an IFC Executive Board officer needs use of the card, he must complete the budget request form which also notes his responsibility for unapproved expenses and is signed by two parties
- All receipts should be returned immediately to the treasurer after a charged purchase and the treasurer must account for those in both the budget and in monthly bank account statements

IFC Constitution and Bylaws

To ensure consistency with IFC finances, the procedures for budgeting, financial reporting, appropriation, and disbursement should be included in the IFC Constitution and Bylaws. The member dues structure and process for increasing them should also be addressed in the Bylaws. In documenting IFC financial procedures, be clear and concise to avoid confusion or individual misinterpretation.

Filing Taxes

As recognized student organizations, most IFCs are not obligated to file tax forms and should follow all financial procedures related to registered student organizations.

IFCs who need to investigate their tax status related to filing federal, state, and local taxes are those hiring employees outside the scope of the campus payroll structure and those raising more than 20% of their annual budget from external fundraising activities. In both of these cases, federal and state payroll tax forms and the federal form 990 may need to be completed.



NIC Standards – Member Fraternities

The leadership of the North-American Interfraternity Conferences **member fraternities passed a set of standards that will propel fraternities to be who we say we are.** These standards (most commonly referred to as the NIC standards) call upon fraternity and campus leadership to create some changes to today's fraternity and asks each member to live up to the highest standards of fraternity membership.

These standards are a true partnership opportunity between fraternities and campus communities to raise the bar for the fraternity experience. The 21st century fraternity will be upon the solid values of each fraternity and will be a beacon of leadership within the campus educational environment. The standards embrace the common principles shared by all of our organizations. Academic success, service and philanthropy within our community, leadership development, and social skill development are the cornerstones of the standards. IFC plays a critical role in creating partnerships within the campus community and moving the fraternity community forward.

The following are the NIC Standards for Member Fraternities; these standards should be discussed during each IFC Executive Board meeting and practiced by the fraternity community. The standards that are listed in bold apply to your position as the Vice President of Finance directly.



NIC Standards - Member Fraternities

- All members are insured with liability coverage
- Risk management policies address alcohol use, fire safety, hazing and sexual assault/abuse
- Language that allows for immediate chapter emergency, temporary suspension by the fraternity
- Agree to and support:
 - Open expansion policies and practices
 - Open recruitment practices
 - Alcohol-free rush/recruitment events
 - Alcohol-free new member/pledge/associate member programs
 - Maximum 12 week new member programs
- Support academic success by:
 - Chapter annual cumulative GPA at 2.5 or above campus all men's GPA
 - New members with 2.3 GPA or higher (2.25 after the first semester)
- Little Sister/Women's auxiliary groups are prohibited
- Each member will communicate its values through its ritual at least annually
- Each member organization will communicate the importance of its undergraduate members participating in educational programs (whether campus, national fraternity, or independently led) covering any of the following:
 - Academic achievement
 - Alcohol consumption
 - Career preparation
 - Civic engagement
 - Hazing
 - Leadership development
 - Sexual assault awareness/prevention
 - Values and ethics

Report the following data to the NIC by November 1st of each year:

- Number of pledges & new members
- Number of men initiated
- Number of active undergraduates
- Number of chapters opened and size at chartering
- Number of chapters closed and reason
- Number of active chapters
- Number of members involved in campus leadership positions
- Number of community service hours
- **Number of dollars raised for a charitable cause**



NIC Standards – Host Institutions

The following are the NIC Standards that are recommended to host institutions as practices that can assist in elevating the fraternity community. The NIC recognizes that there is no ability to compel any institution to follow these, however, through the relationship that exists between the NIC, its members, and host institutions, the conference and its members will advocate for the following. As a leader of the interfraternal community, you should discuss these standards with your IFC Advisor and other appropriate campus professionals such as your Dean of Students or Vice President of Student Affairs.

NIC Standards for Campuses

- No NIC member organization is prohibited from selecting undergraduates for the purpose of establishing a chapter on the campus
- The host institution IFC may not deter expansion by withholding membership in the IFC of any NIC member organization
- Host institutions/IFC will not prohibit NIC member fraternities from recruiting on campus
- Host Institutions:
 - Support open recruitment and will not prohibit men from participating in recruitment activities and joining an NIC member group
 - Provide a for-credit leadership class for new members
 - Encourage Faculty advisors for chapters with incentives
 - Provide chapter, Greek Community, and campus demographic information to requesting groups
 - Provide impartial judicial process with right of appeal to member groups
 - Work to reestablish a five-day academic week
 - **Provide financial management, property, and account collections support**
- Campus programming designed to inhibit/prevent problem behaviors (such as alcohol abuse or sexual assault) will not single out Greek organizations from other campus organizations for mandatory participation
- Campuses are asked to provide the following data:
 - Campus, all men's Greek, and chapter GPA by semester
 - Number of men pledged to all chapters in an academic year
 - Number of men initiated into all chapters in an academic year
 - Percentage of fraternity men compared to total number of men on campus
 - Total number of chapters closed/opened in an academic year
 - Total number of Greek-life full-time professionals on each campus



Sample IFC Financial Management Policy

Section I. Fiscal Year

The IFC Fiscal Year shall be from [Month/Date] to [Month/Date].

Section II. IFC Annual Budget

The Vice President of Finance and the IFC Finance Committee shall propose an annual budget to the IFC Executive Board by [Month/Date]. Upon adoption by the IFC Executive Board, the budget shall be presented to the IFC General Body for ratification.

Section III. IFC Contingency Account

The IFC Budget shall include a contingency account that equals 10-15% of the overall expenses. The contingency account shall be utilized for cost overruns in budgeted areas and/or unanticipated, unbudgeted items, such as new IFC programs developed after the budget was finalized. At the end of the fiscal year, any amount remaining in the IFC Contingency Account shall be carried over to the next fiscal year.

Section IV. Appropriate Use of IFC Funds

IFC funds are under the jurisdiction of the IFC Member Fraternities and shall only be used in a manner that benefits the fraternity community and that is congruent with the values of fraternity life. IFC funds shall not be used to purchase alcoholic beverages.

Section V. Expenditure Approval

The IFC President and the IFC Vice President of Finance shall approve all budgetary expenditures. Requests for budgetary expenditures shall be made utilizing the IFC Expenditure Request Form. All expenditure requests shall be submitted at least two weeks prior to the date of the requested disbursement.

Section VI. Requests for Reimbursement

Individuals or Member Fraternities conducting business on behalf of the IFC may request a reimbursement for their expenses utilizing the IFC Reimbursement Request Form. All reimbursement requests shall be submitted within two weeks of the purchase and are subject to the approval of the IFC President and IFC Vice President of Finance



Section VII. Signature Requirements for Financial Accounts and Transactions

The signature of both the IFC President and IFC Vice President of Finance shall be required on all IFC financial accounts and transactions.

Section VIII. Financial Reporting

The IFC Vice President of Finance shall provide a financial report to the IFC General Body on a monthly basis including all income and expenses during the given period of time and in relation to the overall budget for each line item.

Section IX. Financial Record Keeping

The IFC Vice President of Finance shall maintain accurate and organized financial records consisting of all receipts and invoices, copies of all monetary disbursements and deposits, IFC financial forms and reports, actual dues levied, canceled checks, ledgers, and journals.

Section X. Independent Annual Financial Audit

An independent audit of all IFC financial accounts shall occur within two weeks of the end of the fiscal year by a certified public accountant.



Sample Member Fraternity Financial Obligations

Section I. IFC Active Member Fraternity Dues

The [**semester/quarter/term**] dues for each Member Fraternity shall be fixed at [**\$XX**] per active member.

Section II. Establishment of IFC Member Fraternity Dues

Any proposed amendment to the established per active member dues in Section I of this Article shall be initiated utilizing the following protocol:

- A. If the IFC Executive Board determines a need to amend the established per active member dues amount, it shall charge the IFC Finance Committee with assessing the current dues amount and providing a recommendation for possible amendments.
- B. The IFC Executive Board shall consider any recommendations made by the IFC Finance Committee and propose an amendment to the dues amount to the IFC General Body.
- C. A 2/3 vote of the IFC General Body is required to amend the IFC Member Fraternity dues amount.

Section III. IFC Member Fraternity Dues Assessment

The aggregate total of dues assessed shall be based upon each Member Fraternity's [**semester/quarter/term**] Active Member Roster that is filed with the IFC President in accordance with the requirements of Article III, Section III(E) of the Constitution. The IFC Vice President of Finance shall invoice each Member Fraternity within one week of receipt of an Active Member Roster or New Member Roster. Invoices shall be paid within two weeks of receipt.

Section IV. Delinquent Payments

Any amount unpaid by the due date shall result in a 10% penalty and loss of representation in the IFC General Body until payment has been made. Any amount unpaid within one month of the due date shall result in the Member Fraternity being referred to the IFC Vice President of Judicial Affairs for possible judicial action.



IFC Budget Request Form

Name: _____ Date: _____

Line item to be withdrawn from: _____

Reason: _____

Amount requesting: _____ Date needed: _____

VP of Finance Use Only

Purchase approved Purchase denied Date _____

Reimbursement Request Form

Name: _____ Date: _____

Description of item(s) purchased: _____

Total amount spent: \$__ Budget to be withdrawn from: _____

To whom should the check be made?

Name: _____

Address: _____

Check One: Mail Provide to member at next meeting

VP of Finance Use Only

Request approved Purchase denied Date disbursed _____
