

# DELTA CHI BRIEF

## **Financial Management: the receipt, care and disbursement of funds for a club, society or business.**

The strength or weakness of a chapter can be determined largely by looking at the financial operation of the group. When there is poor management of finances, there is usually poor management of other operations. This is because all operations of the Chapter are ultimately dependent on financial support and organization. Without a core of sound financial management and operation, the entire chapter structure weakens and begins to falter.

A fraternity chapter is actually a business, and the Chapter members must manage many aspects of fraternity life as such. The management of this business lies in the hands of a team: the "D", the Alumni Board of Trustees, the house corporation, the executive committee, the finance committee, and collectively the entire membership. It is ultimately everyone's responsibility to ensure that money is collected and properly managed and documented.

Serving as the "D" is one of the most important positions a member can hold within the Fraternity, as he is the point man for a chapter's financial management team. When he coordinates with other members of the financial management team, he acts as the chief financial officer of the organization. He must, therefore, be a responsible person who is willing to work hard, take a firm stand with the members and have the personal goal of seeing that his group maintains a solid financial operation. His actions, together with

key alumni and the assistance of the Chapter members (in compliance with the group's by-laws and Delta Chi Law), can bring about financial success.

For each member involved in the Chapter's financial management, this **BRIEF** serves as a guide towards understanding some of the basic requirements for achieving financial success. This is not an accounting manual—only basic financial management is covered. If your chapter has already achieved some of the objectives listed in this **BRIEF**, then the opportunity exists for the Chapter to extend its operations into such areas as automated billing and bookkeeping or hiring an accountant to oversee financial operations. If there is anything in the list of responsibilities and duties that is unclear, be sure to contact one of the following: the Chapter accountant, the "D"'s predecessor, the "A", the "BB", members of the ABT, the Regent, a Leadership Consultant, or call Delta Chi Headquarters for clarification.

There are really four keys to the financial and, therefore, overall health of the Chapter: a membership large enough to fulfill the financial obligations (especially if there is a house to support), charging the level of dues necessary to maintain a viable organization, following a reasonable budget and collecting the money owed to the Chapter by the members.

This **BRIEF** is designed to address those issues and to present the financial management system in a logical order: responsibilities, budgeting, record keeping, accountability, Fraternity relations, collections and other issues related to financial management.

## SECTION I: DUTIES OF THE FINANCIAL MANAGEMENT TEAM

In accordance with the By-Laws of The Delta Chi Fraternity (Article VII, Section 2, Subsection 1), Sub-subsection d), the "D" has the following duties and powers:

1. Exercise the powers usually exercised by the treasurer of an organization.
2. Collect all Fraternity and chapter dues, fees, charges and assessments owed by members and associate members of the Chapter and deposit the same in a bank.
3. Forward to Delta Chi Headquarters, immediately upon collection, the Initiation Dues, Associate Member dues and any other Fraternity funds. All such dues, fees and other Fraternity funds received by the "D" shall constitute trust funds in his hands until remitted by him to Delta Chi Headquarters and shall not be used for any other purpose.
4. Report to Delta Chi Headquarters (in cooperation with the "C"), prior to initiation, the name of each person to be initiated into the Chapter.
5. Pay all bills authorized by the Chapter.
6. Prepare and forward to Delta Chi Headquarters all reports concerning the financial transactions of the Chapter as shall be prescribed for the Chapter by the Executive Director.
7. Require any active member whose account with the Chapter exceeds \$100 for three consecutive months in any fiscal year to sign a promissory note in favor of the Chapter or colony for the amount of the indebtedness. If the member is under 18 years of age, the note shall be co-signed by his parent(s) or guardian(s).
8. Perform such additional duties of the "D" as are set forth in Fraternity publications.
9. In the discharge of his prescribed duties, the "D" shall be subject to the direction and control of the Alumni Board of Trustees.

The "D" should also:

10. Read all materials pertaining to his office (*Financial Management BRIEF*, Tax Guidelines, reference sheet, general letters, etc.).
11. Have a basic understanding of accounting principles.
12. Oversee the collection of all dues and assessments. (If the Chapter uses an accounting firm or other bookkeeping service, the "D" is responsible for all financial requirements needed by that firm to keep accurate books.)
13. Keep an organized bookkeeping system, create and update a budget in cooperation with the ABT and the Chapter finance committee, and maintain membership and expense ledgers.
14. Consider retaining an outside accountant to do a quarterly audit and the Chapter's tax forms (See "Tax Guidelines").
15. Be the only chapter member authorized to order supplies from Delta Chi Headquarters and pre-approve other purchases on behalf of the Chapter.
16. Require receipts for all purchases and issue receipts for all payments received. [See Section IV for an example of an issued receipt.]
17. Work in conjunction with the ABT and executive committee during the budgeting process.
18. Keep accurate files of debts owed by the members and report them to the ABT and the Chapter.
19. Make sure a process for collecting accounts receivable is in the Chapter by-laws.

20. Send all initiation dues (which must accompany the Personnel Record forms) to Delta Chi Headquarters at least two weeks prior to initiation to avoid being fined for an unauthorized initiation.
21. Organize and chair a finance committee to assist with budget development and financial operations.
22. Communicate with the "BB" on a regular basis.
23. Submit a weekly, written report to the Chapter's executive committee on the Chapter's financial status and accounts.
24. Prepare and distribute a monthly financial statement to the Chapter and ABT.
25. Periodically reaffirm the Chapter's policies on overdue accounts.
26. Attend ABT meetings (the "D" is a voting member).
27. Provide the ABT with a draft copy of the Chapter's budget at the beginning of every term.
28. Provide the ABT with a financial report by November 15, February 15, and May 15. Copies of this report are provided in the example section.
29. Keep all accounts payable up-to-date. The Chapter should not miss payments and be unnecessarily charged finance charges or possibly lose insurance coverage.
30. Obtain and administer a checking account at a federally insured bank or credit union that provides services sufficient to cover the needs of the Chapter's financial program. All checks should require two signatures. One signature should be the "D", and the other signature must be either the "A", the "BB", or the financial advisor for the Alumni Board of Trustees.

## **ALUMNI BOARD OF TRUSTEES**

The Alumni Board of Trustees is a body of alumni and undergraduates (both the "A" and the "D" are voting members) joined to further the interests of the Chapter by drawing on its members' expertise and experience. This body, through the alumni, offers continuity to the Chapter. The Chapter should call on them for help in special events, financial planning, program planning, and general day-to-day advice. The "D" must provide the ABT with a budget at the beginning of every term.

Assist with Budget and Finance Supervision - The Chapter budget must be reviewed by the ABT each term. The budget should be proposed to the ABT before it is taken to the Chapter. The ABT should review the budget prior to the end of the term proceeding the term for which it is designed. Any and all changes by the financial advisor of the ABT, or by the ABT as a whole, should be made prior to the Chapter's discussion and review of the proposed budget. Review of the previous budget by the financial advisor and the "D" should take place prior to the ABT meeting in order to prepare for any questions that may arise and make certain that the ABT's time is not wasted on minor details that could have been worked out prior to the meeting.

Furthermore, Delta Chi's By-laws provide the ABT with the following powers in relation to financial management:

Article VII Section 2, (1), (d), (ix) states that "In the discharge of his prescribed duties, the "D" shall be subject to the direction and control of the Alumni Board of Trustees."

Article VII Section 2, (2) refers to the election of officers in stating that "The undergraduate chapter shall elect a "D" subject to the approval of the Alumni Board of Trustees."

Article VII Section 6, (3) lists the following:

- (a) Supervisory power over the planning, supervision and control of chapter finances and the use and maintenance of real and personal property of the Chapter.
- (b) Power to investigate, regulate and control any and all expenditures and disbursements of chapter funds.
- (c) Power to approve or disapprove actions of the Chapter "D" and to remove the Chapter "D".

## **FINANCE COMMITTEE**

Since the "D"'s role in the Chapter encompasses many different aspects of financial management, it is necessary for the Chapter to assist him in the decision-making process. One way this can occur is through the establishment of a finance committee and by adopting necessary legislation for the Chapter's by-laws to support the committee. Also, the formation of a finance committee enables a greater number of people to become involved in the financial affairs of the Chapter. This lends stability to the Chapter's finances and also spreads the workload. In addition, there needs to be input from different sources so that when a decision is made, all groups within the Chapter structure are represented. Financial background or knowledge, though not a requirement, is very important.

The finance committee's main responsibility is to oversee the financial management of the Chapter. The finance committee's area of responsibility includes the preparation of a budget, collection of accounts receivable, as well as suggestions for and implementation of the Chapter's financial policies.

Suggested membership for the finance committee includes:

1. The "D" - the chairman of the committee
2. The assistant "D" (elected or appointed)
3. The "BB"
4. The ABT treasurer or president
5. Members-at-large from the Chapter (e.g., one person representing each class and/or past officers)

## **RESPONSIBILITIES OF THE FINANCE COMMITTEE**

1. Prepare a budget
  - a. Complete by a certain date as stated in the Chapter's by-laws
  - b. Submit the budget to the Executive Committee
  - c. Submit the budget to the ABT for approval
  - d. Formally present the budget to the Chapter for final approval
2. Accounts receivable
  - a. Recommend policies to the Chapter to collect accounts receivable
  - b. Serve as an appeals board for the members who have difficulty paying their bills
  - c. Periodically review accounts receivable and insure that the Chapter by-laws are being followed
3. Recommend and review financial policy
  - a. Review monthly financial statements
  - b. Periodically review financial procedures and recommend changes when necessary

## **THE APPEALS BOARD**

Members of your chapter may, at some point in time, have a problem with financial payments. There must be a structure within the Chapter to deal with these problems in a prescribed manner. An appeals board (the Finance Committee) will serve to consider each member's particular problem and decide what appropriate action should be taken. It is inappropriate to place the "D" alone in this position.

The membership of the appeals board should consist of the same people who comprise the finance committee. These members will be the most familiar with the financial structure of the fraternity.

When a case is presented to the appeals board, the board should discuss the problem fully with the individual. In the discussion, many times a solution can be worked out by letting the individual make suggestions himself. Only the appeals board should have this flexibility.

A set procedure must be written so that the membership will be aware of the available options if a payment problem is encountered. The following is a list of considerations and alternatives the appeals board can take:

- The member loses part or all of his social privileges.
- The member loses part or all of his voting privileges.
- Require the individual to sign a promissory or installment note in favor of the Chapter. Delta Chi Law

provides that if an individual has owed \$100 or more for three consecutive months, he shall be required to sign a promissory note.

- Have the individual meet with the Alumni Board of Trustees.
- Help him find alternative sources of finance (loans, scholarships, part-time job, etc.).
- Write, call or visit the individual's parents (only if they co-signed a note. Otherwise he may sue based on invasion of privacy, even if he is a minor!)
- Ask the member to move out of the Chapter house (if this is provided for in the housing contract).
- Inactivate the member in accordance with Delta Chi Law.
- Proceed with legal action (your local clerk of courts can provide you with the necessary information to file a claim against a member).
- Expulsion from the Fraternity.

These suggestions must be written out for every member to see. They must also be included in your by-laws.

## **SECTION II: DELTA CHI LAW PROVISIONS CONCERNING FINANCES**

As of August 8, 2004

### **BY-LAWS**

#### **ARTICLE V MEMBERSHIP IN THE FRATERNITY SECTION 1 CATEGORIES OF MEMBERSHIP**

##### **(3) INACTIVE STUDENT MEMBER**

- (a) **STATUS DEFINED** - A student member in inactive status shall be prohibited from material participation in chapter activities including, but not limited to, social activities, sports programs, living in the Chapter house, voting at chapter meetings, holding chapter office, and representing the Chapter in any capacity.
- (b) **PROCEDURE** - A student member may receive inactive status only through one of the following:
  - (i) Written request by the member, such request shall not impair any written financial agreements between the member and the Chapter.
  - (ii) Motion of the member's chapter with approval by a two-thirds vote of both the Chapter and its Alumni Board of Trustees.
  - (iii) For financial indebtedness only, by action of the Alumni Board of Trustees by a two-thirds vote.
- (c) **RETURN TO ACTIVE STATUS** - An inactive student member may return to student member status by petition to the Chapter with approval by a two-thirds vote of the Chapter and its Alumni Board of Trustees.

- (4) **ALUMNUS STATUS** - Any initiate not then enrolled at the Chapter or colony into which he was initiated or to which he has subsequently affiliated, except for university vacation periods during which enrollment is not required to maintain student status, shall be an alumnus member of the Fraternity. No alumnus member of the Fraternity shall have the right to vote in the meetings of an undergraduate chapter. Graduate students who are student members of a chapter shall have all of the rights of membership.

### **REGULATIONS**

#### **ARTICLE II CONVENTION SECTION 1 CONVENTION EXPENSES**

The Executive Committee shall, prior to each Convention, determine an appropriation to be made to assist in defraying the travel expenses of one delegate from each undergraduate chapter seated at the Convention upon the basis of the distance of each chapter from the Convention site, provided that the amount paid to each delegate shall be prorated according to the number of sessions of the Convention actually attended by the delegate. The Executive Committee shall direct the Executive Director to give notice of the proposed appropriation to each chapter no later than ninety (90) days before the convening of a Convention.

The Executive Committee may also, prior to each Convention, determine an appropriation to defray a portion of the expenses of each "BB" and Vice Regent, provided that no "BB" or Vice Regent shall also receive a portion of his travel expenses as a chapter delegate.

Each undergraduate chapter shall be entitled to one registration at no cost for each Chapter Assessment billed and paid during the period since the prior Convention. To be entitled to said registrations, undergraduate chapters shall comply with other requirements of Delta Chi Law regarding the selection of delegates and the presentation of credentials.

Irrespective of the dollar amount or number of Chapter Assessments billed or paid, each colony, or chapter that was chartered subsequent to the final billing of a Chapter Assessment prior to a Convention, shall be provided one registration.

**ARTICLE IX FRATERNITY FINANCES**  
**SECTION 2 INITIATION AND MEMBERSHIP DUES**

- (1) UNDERGRADUATE ASSOCIATE MEMBER DUES - The dues for each undergraduate person who associates with an undergraduate chapter shall be set forth in the Schedule of Dues and shall be delinquent if not forwarded to the Headquarters Office within five (5) days of the person's association.
- (a). If an associate member resigns or disassociates from the Chapter within two weeks of his original date of association, providing such action is reported in the Chapter Meeting Report of the meeting immediately following disassociation, the Chapter may refund the dues to the individual. The Executive Director shall refund to the Chapter the dues for the person upon report of said refund in the Chapter Meeting Report.
- (b). When an individual reaffiliates, it should be reported in the Chapter Meeting Report. If his Associate Member Dues have been paid and previously forwarded to the Headquarters Office and not refunded, the Member is not required to pay additional Dues at the time of reaffiliation.
- (c). The Undergraduate Associate Member Dues shall be paid by all men initiated by a chapter or colony, except: (1) those initiated pursuant to the Constitution, Article V, Section 1, Subsections (1) (b), (c) or (d); (2) those initiated by a colony as part of the first initiation after its initial organization, as determined by the Executive Director.
- (2) UNDERGRADUATE INITIATION DUES - The Dues for each person initiated by an undergraduate chapter shall be set forth in the Schedule of Dues and each chapter shall remit same to the Headquarters Office prior to initiation.
- (3) REFUNDS - If an undergraduate or graduate associate member is not initiated, any amount of Initiation Dues paid by him in excess of the Associate Member Dues shall be refunded. Such refund shall be applied first toward the liquidation of any indebtedness of such associate member to the undergraduate chapter and the remainder shall be paid in cash.
- (4) ALUMNI OR FACULTY - Any man initiated pursuant to the Constitution, Article V, Section 1 Subsections (b) or (d) shall deposit with the Headquarters Office before initiation the amount set forth in the Schedule of Dues. If any person described in this paragraph pays such Dues and is not initiated, such sum shall be refunded.
- (5) WAIVER OF INITIATION DUES - The payment of Initiation Dues in the case of men initiated pursuant to the Constitution, Article V, Section 1, Subsections (1) (b) or (d) may be waived on approval of the Executive Director.

**SECTION 4 CHAPTER ASSESSMENT**

An annual assessment established in the Schedule of Dues shall be assessed to each undergraduate chapter.

**SECTION 5 MEMBERSHIP DUES**

- (1) UNDERGRADUATE MEMBERS IN CHAPTERS - Undergraduate chapters shall be assessed for each of their undergraduate members as established in the Schedule of Dues which shall be paid to the Delta Chi General Fund.
- (2) NEW INITIATE EXEMPTION - No chapter shall be required to pay any amount for any member during the fiscal year in which he is initiated.

**SECTION 6 COLONY DUES**

No colony shall be charged either a Chapter Assessment or Membership Dues from its inception until one year following the date of the first initiation of colony members. From that date until two years following the first initiation, the colony shall be billed at the rate of 33% of a chapter, rounded to the nearest whole dollar. Starting on the date two years following the first initiation, the colony shall be billed at the rate of 67% of a chapter, rounded to the nearest whole dollar. Starting on the date three years following the first initiation, the colony shall be billed in the same manner as if it were a chapter.

## SECTION 7 CHAPTER DISCIPLINE FOR FINANCIAL MATTERS

A chapter shall be subject to the following disciplinary action for delinquent financial obligations owed to the Fraternity:

- (1) ACCOUNTS 30 OR MORE DAYS PAST DUE - Any chapter having an account balance owed to the Fraternity which is thirty (30) or more days past due shall be subject to the imposition of a service charge or late fee on such balance, as determined by the Executive Committee.
- (2) ACCOUNTS 60 OR MORE DAYS PAST DUE - The "D" shall contact the Executive Director and advise when payment will be made. If this step is not followed, the Regent will be advised and he shall contact the "A", "D" and "BB" to resolve the issue. All supply orders will be C.O.D. or paid in advance with cashiers check or money order until the Chapter's account is current. The Chapter will have to pay C.O.D. charges on all such shipments. A colony shall be placed on notice that recognition will be reviewed, and may be withdrawn if the account is not current within an additional sixty (60) days.
- (3) ACCOUNTS 90 OR MORE DAYS PAST DUE - The "DD" shall be advised of any chapter having an account balance owed to the Fraternity of ninety (90) or more days past due, and he shall contact the "A", "D" and "BB" to resolve this issue. An operating budget approved by the Chapter's Alumni Board of Trustees shall be submitted to the Executive Director and copied to the "DD". If full payment is not received within ten (10) days, a promissory note shall be executed by the Chapter.
- (4) ACCOUNTS 120 OR MORE DAYS PAST DUE - If the total balance due of the Chapter exceeds the amount to be in good standing as specified in Delta Chi Law, then the Chapter has automatically placed itself on Financial Probation. The "D" may be removed from office by the Executive Committee pursuant to Article VII(2)(2)(4) of the By-Laws. Any colony reaching this level of delinquency may have recognition withdrawn.

### (a) TERMS OF PROBATION

- (i) During the probation period the Chapter must remain current on its financial obligations to the Fraternity.
- (ii) If the Chapter's delinquent obligation exceeds \$500, the Chapter shall be allowed a maximum probationary period of two years to eliminate the debt.
- (iii) If the Chapter's delinquent obligation is \$500 or less, the Chapter shall be allowed a maximum probationary period of one year to eliminate the debt.
- (iv) Within thirty (30) days of being automatically placed on financial probation as provided above, the Chapter shall submit a payment plan to the Executive Committee for approval to eliminate the debt within the time periods specified above.
- (v) If the plan submitted under subsection (d) above is not approved by the Executive Committee or the Chapter fails to submit a plan, then the Executive Committee may impose its own payment plan.
- (vi) If at any time, the Chapter reduces its total debt to a point where it is in good standing as defined in Delta Chi Law, then the financial probation shall be terminated automatically.
- (vii) If at any time, the Chapter fails to remain current on its obligations or fails to fulfill the terms of the financial probation, the Executive Committee may declare the Chapter in default or may, at its discretion, impose a new payment plan or take or recommend other action as allowed by Delta Chi Law.

(b) SUSPENSION OF CHARTER - If a chapter is found to be in default on its payment plan, the Board may suspend the charter pursuant to Delta Chi Law.

- (5) UNAUTHORIZED INITIATION - No individual may be initiated until receipt in the Headquarters Office of the Associate Member Dues, Initiation Dues and the Personnel Record Form and written authorization for the initiation has been provided to the Chapter by the Executive Director. Violation of the requirement shall result in a fine of \$25 per unauthorized initiate imposed against the Chapter.
- (6) OTHER DISCIPLINARY ACTION - The above provisions are in addition to, and not in limitation of, any other disciplinary action or measures that may be imposed in accordance with Delta Chi Law.
- (7) TERMS - Unless specified otherwise in Delta Chi Law, all dues, bills and obligations are due on presentation and shall be considered past due thirty (30) days from the date of billing.

**Note:** the Constitution provides that when the word "chapter" appears in Delta Chi Law, it shall refer to both undergraduate chapters AND colonies, except when the section specifies to the contrary.

## SECTION III: THE BUDGET

**ALL CHAPTERS AND COLONIES MUST BUDGET EACH TERM!** Controlling financial resources is an important ingredient in the recipe for the success of a chapter. No other area of fraternity operations can have as big an effect on the Chapter's ability to achieve its goals. Often, when a chapter does not properly manage its finances, critical areas/programs do not get adequate funding necessary to attain goals set by the Chapter. As a result, a snowball effect can occur that continually finds the Chapter lacking financial resources and unable to cope.

### A. Who should be involved:

The budgeting process is one in which the entire chapter and its alumni should participate. The task of completing and proposing a budget should not fall on a single member (i.e., the "D"). The task is far too difficult and far too important for all concerned. In a successful chapter, undergraduates and alumni alike are involved in one or more areas of the process. Sitting on the Chapter finance committee and executive committee gives the individual the most input in the process, but it is equally important to attend the Chapter retreat and discuss short-term and long-term goals for the Chapter. At the very least, members attending the Chapter meetings should provide feedback on the budget proposal.

### B. Goal-setting by the Chapter:

A good suggestion before starting the budgeting process is to hold a chapter retreat (see the *Chapter Retreat BRIEF*). The reasoning is simple: bringing the Chapter members together to determine short- and long-term goals helps set a framework on which areas to spend money. A chapter retreat is an ideal time to discuss which goals the members would like to see accomplished for the Chapter. When the Chapter finalizes its list of goals, a chapter should then prioritize them according to the importance to the success of the Chapter. This prioritized list then can serve as a guide in deciding how to allocate the Chapter resources. Because chapter resources have a limit, and the wants of the Chapter are unlimited, this prioritizing of goals can help in attaining a measurable, time-oriented, reasonable, and worthwhile level of achievement.

### C. When to create a budget:

A budget should be prepared and adopted prior to the start of the term for which the Chapter is budgeting, usually four to six weeks before the end of the current term. It is suggested that the Chapter prepare a budget for each term instead of yearly, since membership size can fluctuate. The involvement of all chapter officers, committee chairmen, members of the Chapter, the "BB", and the Alumni Board of Trustees is necessary to prepare a sound budget. Alumni advice may prove to be the most valuable, because of their experience in dealing with financial matters from employment or in their personal lives. Without input from these sources, a chapter cannot possibly determine what it is likely to spend during the coming term.

### D. How to budget:

Budgeting is not just compiling figures on a sheet of paper—you must start the process well-prepared. With the list of short- and long-term goals, the finance committee should review all the files in the Chapter records. Planning for the unexpected is also key to having a successful term, or else when a surprise expense hits, often essential programming must be cut to provide the necessary resources to ease the impact of the emergency. Next, when all the avenues have been studied, the alumni, the executive committee and the finance committee should begin to produce a budget.

### E. Planning for the unexpected:

Chapters often draw up budgets only to discover later in the term that an unplanned expense has arisen for which they had not allocated the necessary funds. In preparing the budget, the experience of the previous "D" may assist in the budgeting of many items; however, the finance committee should consult officers and committee chairmen to determine how much they would like to spend during the next term for their respective operations (e.g., rush, alumni relations, social programming). Hopefully, this will help minimize over- or under-budgeting these areas. In planning a budget, using budgets from previous terms can help determine whether any items need a budget increase or decrease. For example, if a chapter budgets \$1,275 for recruitment, and only uses \$950, the finance committee should assess whether the item has been over-budgeted or if the recruitment committee is not using its resources to meet the Chapter's expectations. If the item has been over-budgeted, then next year's budget for recruitment should be more realistically assessed at \$950-1,000. This, in effect, would free \$275-325 for use in other areas. Another area to review is the Chapter checkbook and bank statements. It is a safe bet that unexpected costs arose during previous terms and that the situation forced the Chapter to reallocate resources, which cut other uses the Chapter had planned on. Checkbooks and bank statements are excellent sources of information in such situations. The best

way to be prepared when faced with the same situation (budgeting) is to review every expense faced in the past, as well as list any other possible expenses that could reasonably arise.

#### F. Balancing the budget:

A possible first step in setting income figures for the budget is to take the expected number of returning members, while subtracting ten percent for cases of unexpected dropouts, transfers or other situations. The finance committee should prepare the Chapter budget in such a way that if everything goes exactly as planned, there will not be any loss or gain at the end of the school year. This includes savings and contingency functions built into the budget itself. In other words, "**Total Income**" should equal "**Total Expenses**" in the budget (a balanced budget).

#### G. Control the Chapter finances:

Although the Chapter uses the budget to plan the finances for the term, it should also be used as a control item. By comparing actual income and expenses versus budgeted income and expenses on a monthly basis, a finance committee can quickly see which items need to be carefully controlled. If it appears that an area may go over budget, it should be brought to the attention of the members of the Chapter. Members should discuss whether that particular program should be delayed or even canceled or dues should be raised to meet the increased expense. You should understand the fact that members who complain about dues are generally complaining that there aren't enough benefits. Keep this in mind, but don't let a case of "wants" financially cripple a group and/or pass on a debt to next year's brothers.

The "D" should not be permitted to make or allow expenditures over any amount budgeted without prior permission of the Chapter and/or the ABT. Specific guidelines regarding expenditures should be spelled out in the Chapter's by-laws. Depending on the total amount of money budgeted, any expenditure, for example, over \$250, should require the approval of the ABT financial advisor. This type of check and balance can help a group keep from going over budget.

#### H. Deal with each operation separately:

The budget needs to be divided into three sections: House Operations (the physical plant), Kitchen Operations, and Chapter Operations. The finance committee should deal with each area separately, as they have separate income and expenses. It is recommended that each area of operation should be self-funding. This is a sign of proper budgeting and sound financial management.

At the end of this **BRIEF**, you will find sample budget forms that the Chapter can photocopy and use to compile its budget and different purposes. Also, you will find a budget summary that totals the three separate operations and condenses them to one balanced report of income and expenses.

## **PREPARING THE BUDGET**

The "D" should never be the only individual responsible for compiling the Chapter records, creating the Chapter budget, collecting membership dues or overseeing chapter expenses. No matter how dedicated the "D" might be, there is always too much for him to do unaided, leaving the process open for error. Divide the above tasks among the members of the finance committee. Thus, the success comes from a group effort and affords the Chapter many voices in the financial management of the Chapter.

After the finance committee has reviewed all the available records and checked on possible utility rates, insurance rates, Delta Chi and IFC dues, and property tax increases, the committee should possess more than adequate information needed to draw up a chapter budget. A policy of checks and balances should guide the entire process, from the finance committee, to the executive committee, to the Alumni Board of Trustees, and finally to the Chapter for approval.

At each level of the process, there should be constant scrutiny of where the Chapter's financial resources are being allocated. By no means should the process be quick. It should probably take at least four weeks from start to finish, and changes will often be necessary to make sure that the Chapter has funded all areas adequately.

Basically, the easiest way to set dues (and other fees) is to determine the full level of the expenses and then divide the amount equally among the base level of membership. Finding the equilibrium point when setting dues is a very difficult task. If dues are set too low, the Chapter will not be able to finance the activities that make being in a fraternity fun and allow it to be competitive with other fraternities. In addition, being known as one of the cheaper fraternities on campus will only attract men who cannot afford a fraternity at any price or have other priorities for which they will allocate their money and will cause you headaches in the future. On the other side, being the

most expensive group can also cause potential problems. Charge dues that adequately meet the needs that were determined at the Chapter retreat and allow you to be competitive with the fraternities on campus you respect. The Chapter's fees should be above the average for the fraternities on your campus. Remember, it's hard to be one of the best and cheap too!

#### A. Chapter Operations

1. **Recruitment** - Recruitment is the lifeblood of the Chapter and is important to its future. The amount of money budgeted and the way the Chapter uses the funds may determine the success of the Chapter.

If the Chapter conducts a large open recruitment effort during the term, with many guests invited to dinners, the Chapter may desire to charge the recruitment account with a set amount per guest per meal. Several difficulties can arise from such a program because the "D" must keep a record and make certain that the accountant receives the record so that he or she can make the necessary bookkeeping entry.

The Chapter should work out a definite recruitment budget before the end of the term. This budget should cover the total amount allowed for mileage, meals and lodging, postage, printing of newspaper ads and letters, telephone and any recruitment parties scheduled.

2. **Social Programming** - This item should reflect the amount of income generated explicitly for the Chapter social program (whether the income is a separate social fee or a percentage of the membership dues). Social expense should include all of those items that provide for the social life of the Chapter. It may include such items as general activity or party expenses, games, party favors, formals, decorations, entertainment (band, DJ, movie or sports tickets, etc.), security, cups, ice, non-alcoholic beverages and food. Under no circumstances may the Chapter spend ANY funds on the purchase of alcohol!

3. **Public Relations** - This will include such as items as note cards, flowers and newspaper advertisements.

4. **Philanthropy/Community Service** - This includes funding for community and campus service projects. Also, chapters/colonies are encouraged to adopt a local or international philanthropic cause.

5. **Alumni Relations** - The Chapter should allocate a certain amount for keeping in touch with alumni through mailings, telephone calls, alumni events and dinners. The Chapter's alumni relations program should call for the printing and postage of at least two newsletters per year and two alumni events (e.g., Founders' Day, spring golf tournament, Homecoming).

6. **Intramural Sports** - Many schools require a registration fee for intramural sports. Also, equipment for chapter teams may be allocated out of this line item.

7. **IFC Dues** - This item pays for the services provided by the IFC (usually assessed on a per-member basis and vary at each institution).

8. **Flowers and Gifts** - Mother's Day, engagements, pinnings, condolences and sorority anniversaries may all warrant the purchasing of items by the Chapter.

9. **Subscriptions** - This item should include fees for subscriptions to various magazines, newspapers or journals used by the Chapter.

10. **Accounting/Bookkeeping Service** - Every chapter should consider retaining an accounting service or accountant to help the Chapter maintain a sound financial position. The cost of having the Chapter's books kept professionally is low compared to the amount of financial trouble and losses that can be incurred without such an accounting service keeping a watchful eye. In most cases, an accountant will need to assist with the preparation of at least the annual IRS 990 tax form.

11. **Chapter Assessment** - The Fraternity assesses each chapter and established colonies a fee (see "Schedule of Dues") each year that helps, in part, finance the Conventions that are held every two years. The Chapter will receive one delegate's registration for each year's assessment paid. The Chapter should also budget a certain amount of money to help defray the remaining costs of sending its delegation to the Convention. This is billed in January every year.

12. **Regional Leadership Conferences and Leadership College** - The Chapter should budget an amount needed to defray the cost of sending delegates to the Regional Leadership Conferences (RLC), every spring and the Delta Chi Leadership College in non-convention years. These costs vary from year to year depending on where the RLC or College is being hosted.

13. **Stationery and Postage** - Normal operations require a steady stream of correspondence with Delta Chi Headquarters, other chapters, other fraternities and organizations on campus. These require the use of letterhead and envelopes with the Fraternity and chapter name.

14. **Awards and Recognition** - This item is used to pay for certificates, plaques, and other recognition items.

15. **Scholarship** - This may include funding for scholarships; a filing cabinet to store files, computer equipment, and awards; and maintaining the study room and library.

16. **Supplies** - This may include funding for officer manuals/notebooks, BRIEFs and other typical office supplies. The Chapter Operations Manual (C.O.M) is now available on CD. Contact the IHQ to obtain a copy. Also, the C.O.M. and other resources are available on the website at [www.deltachi.org](http://www.deltachi.org).

17. **Composite** - This item pays for the purchase of the Chapter's annual composite. The Chapter can either budget this amount or assess each member a separate composite fee.

18. **Membership Dues** - The Fraternity assesses membership dues every fall and spring (see the Schedule of Dues). Posting of the dues to a group's account occurs after Delta Chi Headquarters receives the membership lists (due February 15 and October 15).

19. **Liability Insurance** - Since 1990, Delta Chi has mandated that each chapter and colony be covered by general liability insurance. Delta Chi Headquarters bills the Chapters and colonies at the beginning of every fall.

## B. House Operations

1. **Rent** - This item will probably be one of the Chapter's largest expenses. You or the house corporation (HC) may be leasing or renting the facility or paying off a mortgage.

If an HC owns the facility, it is wise for the Chapter to pay enough in rent to the HC to not only cover the lease/mortgage payments but to also provide enough funds to be used for improvements and repairs to the facility and also for savings. A savings account should be maintained in order to plan for major capital expenditures, such as building additions or new structures. The HC or the landlord usually determines the year's rent by agreement. In planning the budget for this item, the Chapter should check with the HC or landlord to see if an increase in rent is planned.

Rent should be determined on a market value basis rather than a cost basis. To do this, the finance committee should investigate the local housing market to determine the rent charged for residence hall rooms, apartment complexes and other competitive fraternities. Your rent should be a composite of these averages.

2. **Insurance (Property)** - The Chapter, in conjunction with its HC, should meet with a qualified insurance agent to make certain that the Chapter has adequate coverage. This may include such items as boiler, earthquake, fire and flood insurance coverage. Rent to the HC or landlord should reflect this expense. See the Risk Management Manual for more information.

3. **Salaries** - This item includes any employees paid for out of the house operations budget, such as the housemother. Don't forget that people typically expect raises at the start of a new fiscal year that at least keep pace with inflation.

4. **Payroll taxes** - FICA (social security), SUTA and FUTA (unemployment) taxes are among those payable on all salaried employees of the Chapter. The Chapter should consult with its accountant or the local IRS office for the correct procedures to follow.

5. **Utilities** - The Chapter should budget the amount needed to operate a full house. Operating at less than capacity should not cause a significant difference. Remember to take into account the possibility of such things as a severe winter and pending rate increases. Be sure to include electricity, water, gas, telephone and sewage. Encourage the house manager or landlord to make every reasonable effort to control utility costs.

6. **Trash and Garbage Disposal** - The Chapter's utility allotment may cover these items. If not, be sure to budget for it.

7. **Maintenance Supplies** - Maintaining the house requires items such as floor wax, furniture polish, vacuum cleaner bags, dust rags, brooms, mops, cleaning solutions, etc. Also, the Chapter must pay for items such as toilet paper for common restrooms, light bulbs and paper towels.

8. **Maintenance Repairs** - This category is essential, since something is bound to go wrong. The age of the house will have a lot to do with determining this allotment. Furnaces, water pipes, plumbing, electrical wiring and paint are just a few things for which a group may have to pay. The Chapter should work out a clear agreement with the HC or landlord in which the Chapter will cover all expenses up to a certain limit and anything above that the HC or landlord will cover. Read the lease to help determine potential expenses. If it is unclear, try to resolve it before there is a problem!

9. **Pest Control** - This may not be needed, but the low monthly charge is certainly worthwhile in some areas.

10. **Building Improvement Fund** - Chapters and colonies should maintain a building fund. The HC should manage this money. This fund's use can assist in the purchase or construction of a new house or in possible improvements on the current one.

If the Chapter does not have a house, it should consider budgeting money to save for future housing. A chapter that wishes to build a sizable fund should consider setting aside 10-15% of its projected income.

11. **Parlor Fees** - Parlor fees are fees charged to out-of-house members to help pay for expenses such as utilities and maintenance of the common areas of the house.

12. **Repayment of Debts/Loans** - The Chapter must allow for the repayment of loans and past due accounts payable.

13. **Cable/ Satellite TV** - The Chapter should rightfully pay for this item (if there is a common television), because it is for the benefit of the entire Chapter, not just members living in the house. Also, do not allow individuals to tap into this for their personal TVs unless authorized by the cable/ satellite provider.

### C. Kitchen Operations

1. **Food** - There are several ways to calculate food costs for the period.

One common method is to calculate the food cost as a percentage of the total board income. Most chapters that use this method use a figure between 65-75% of the total board income. For example, if the Chapter's board income totaled \$20,000 (40 men at \$500/term), using the 65% figure, the budgeted expense for food would be \$13,000 ( $\$20,000 \times 65\%$ ).

If the Chapter anticipates the same number of men returning from the previous year, it may wish to consider the following method. If, during the previous term, food expense remained in the limit set up by the kitchen budget, use the previous year's figure and add 8-10% to that figure to take into account the anticipated increase in food costs the ensuing year. If the Chapter utilizes this method, it must be cognizant of the fact that an increase in the food budget should be offset by an increase in board income.

A chapter that uses catering services should prepare as accurate a count as it can for its caterer for the next term. Likely, the service will be increasing its pricing to meet the cost of living expenses of its own employees and increases in raw food and overhead costs, etc.

2. **Salaries** - This item will include the cooks, dishwashers and other kitchen personnel. Although chapters pay many kitchen workers with deductions from their bills, these salaries should be charged as expenses and their full chapter bill credited as income. Again, factor in likely raises, gifts, and bonuses for all employees. It is also necessary to look into the legal requirements for having workers compensation and unemployment insurance, even for brothers who work in the kitchen. A deduction in a member's bill may be considered income and must be reported.

3. **Kitchen Share of Utilities Overhead and Rent Overhead** - Chapters should charge the kitchen a portion of the Chapter's utility bills, reflected as income in the house operations budget. They should also figure in a share of the space utilized by the kitchen and charge off a portion of the rent (also reflected as income in the house operations budget). This is merely a bookkeeping entry, but does give a more accurate financial picture of the kitchen operations of the Chapter. Live-in members should not be paying higher rents that keep board bills down for out-of-house members.

4. **Kitchen Supplies and Equipment** - The Chapter must take into account the use of items such as dish washing detergent, napkins, place mats, tablecloths, utensils, cups and other kitchen necessities (such as pots and pans). Also it must maintain and repair major equipment occasionally such as the garbage disposal, exhaust fan, dishwasher, refrigerator, freezer, etc.
5. **Laundry and Linen** - Many chapters have items such as their napkins, tablecloths, aprons, uniforms for cooks and dishwashers and towels cleaned by a laundry service on a weekly basis. Accepting bids from such services can easily determine this cost.
6. **Back debts** - The Chapter must allow for the paying back of old debts on a monthly basis. These may include loans made to purchase food, for repairs of kitchen equipment, or for the purchase of major appliances.

## SECTION IV: RECORD KEEPING

Creating a budget is a great first step, yet too often chapters that create budgets neglect the constant updating of files and ledgers necessary to follow the progress of their spending. During the last few weeks of the term, these chapters find themselves in financial trouble and accuse the budget system of not working. To maintain the budget during the term, the financial management team must accurately update financial files and inform the Chapter members and the alumni of the Chapter's financial status on a regular basis.

**NOTE** - There are sample forms for record keeping, expenditure lists, and much more available in the appendices of this **BRIEF** and also on the [deltachi.org](http://deltachi.org) website. The Microsoft Excel files are free to download and can be customized to fit the Chapter's particular situation while still not having to create the form from scratch. To locate the forms on the website, click on "resources," then on "officer reference materials," and then on the "D" notebook.

There are several reasons to keep accurate, up-to-date books:

1. The IRS requires each chapter to compile and store complete records (bank statements, receipts, etc.) for ten years for the purpose of proof of expenses and income during a tax audit. Yes, fraternities are audited like any other business.
2. There needs to be a file of the payments of members to keep a record of income as well as to certify that a member has paid his dues. This is very important, as you must document debts if you try to collect.
3. To insure that there is money available towards the end of each term, the finance committee should compile an updated list for the respective chairmen, comparing term-to-date income and expenses with budgeted amounts.
4. The Chapter needs accurate information about income and expenses to make projections for next term's budget.
5. To protect the Chapter in the case of theft or illegal use of chapter funds by a chapter member.
6. To protect the "D" in case a chapter member or alumnus charges him with reckless or improper use of chapter funds.

The record keeping task is broken into eight basic separate functions:

1. **Financial Database Management** - This database records each member's charges (debits) and payments (credits). The database should be maintained by using computer software to ensure an ease in inputting, editing and printing any records. Some of the most widely used software programs are Microsoft Excel, Microsoft Money, or Quicken. However, these are not the only programs available. Each member should have their own separate account or spreadsheet in the database that includes his name, address, phone number, e-mail address, account number (it is not recommended to use their Social Security number, rather use their initiation number or develop a numerical system so it will be easier to access members by their individual number). Each input should include the date in which the transaction was made, a brief description of what it was for whether it is for an reimbursement or as simple as an installment payment for dues (e.g., "first installment of Fall dues"), the amount (in the correct column depending on whether it is a debit or credit) and then a new balance. For other resources that may be used turn to the end of this section.
2. **Chapter Bills** - Each member should receive a statement at the beginning of each term stating the member's balance. After that, a statement of any outstanding balance should be given on the first day of every month.

On the bill, be sure to include the name, date, amount of charges, new balance and due date.

The "D" should retain a copy of the bill for his records. These printed bills not only provide the Chapter with an excellent record, they have also proven to decrease collection problems. Also, e-mailing may seem easier and thus less costly because of the elimination of paper, however, on top of e-mailing the member his bill, he should still receive a hard copy to ensure the member is aware of his bill.

3. **Receipts Book** - When a member pays a fee to the Chapter, the "D" **MUST** give the member a numbered receipt with the amount paid and the "D"'s signature. Make a special note if the payment was made by cash rather

than check. Do everything possible to minimize the use of cash. The lack of an audit trail leads to temptation and strips the members, the Chapter and the "D" of a defense in case accusations arise. The "D" must retain a copy of the receipt. The "D" should enter the number on the receipt alongside the payment on the member's individual account or spreadsheet. Turn to the end of this section to see an example of a receipt.

4. **Expenditure Spreadsheet** - Using a spreadsheet similar to the membership spreadsheet, indicate each budgeted expense (budget line item) at the top of the sheet. Again, the spreadsheet should allow for a separate cell for each line item. Record on the appropriate sheet each amount disbursed, the payee, the check number, the date paid and the new balance. This journal will help the financial management team track actual expenses against budgeted expenses and will keep each committee chairman informed as to how much more money is available.
5. **Checkbook** - It is fundamental that every chapter use a checkbook. Here are a few reminders:
  - a. A check constitutes a legal receipt.
  - b. Be certain to safely store all canceled checks and monthly bank statements for at least seven years.
  - c. Void checks that are not to be used.
  - d. Reconcile bank statements each month (see the back of the statement for the procedure).
  - e. Always require two signatures on each check to control expenditures and minimize the possibility of theft by one individual. One signature should be the "D"'s, and the other must be either the "A", the "BB" or the Alumni Board of Trustees financial advisor. This procedure also helps protect the "D" against claims of mismanagement or theft.
  - f. Remember to change signature cards at the bank when officers change.
  - g. The name of the account should include the Chapter's name (e.g., "North/South Chapter of The Delta Chi Fraternity").

Banks are now offering on-line banking for their customers. Some of their features include making payments, up-to-the-minute balance, upcoming transactions, transferring funds, updating account information, and searching other bank features.

6. **Petty Cash** - Chapters should not keep petty cash on hand or make payments in cash. Having access to cash causes more problems than it solves. Delta Chi Law requires that all bills be paid by check.
7. **Correspondence** - The financial management team should maintain (start if necessary) a complete file of correspondence and information relative to the office of the "D". Keep all correspondence for seven years. The file should include:
  - a. IRS information (letters, 990 forms, wage forms, employer's ID number)
  - b. Bills from all concerns
  - c. Letters from Delta Chi Headquarters
  - d. Membership lists
  - e. Lists of those companies from which the Chapter has purchased
  - f. Information pertaining to the HC, accountant and ABT
  - g. Other miscellaneous correspondence (e.g., to parents)
  - h. Receipts
  - i. Electronically saved files
  - j. Warranties
8. **Notes and Contracts** - In a fireproof safe or safety deposit box, each chapter must store its housing contracts and installment and promissory notes. Without these kept in proper order, the financial management team will have no way to insure collection.



## **SECTION V: ACCOUNTABILITY**

### **WORKING WITH ALUMNI**

The "D" is accountable for the collection and disbursement of the Chapter's funds. He must be responsive to and work in cooperation with the membership, Delta Chi Headquarters, the Alumni Board of Trustees, the house corporation and the Internal Revenue Service. This is a major reason why the Chapter must keep accurate and complete records.

The Alumni Board of Trustees is a body of alumni and undergraduates (both the "A" and the "D" are voting members) joined to further the interests of the Chapter by drawing on its members' expertise and experience. This body, through the alumni, offers continuity to the Chapter. The Chapter should call on the ABT for help in special events, financial planning, program planning and general day-to-day advice. The "D" must provide the ABT with a budget at the beginning of each term.

As stated earlier, the ABT has the power to plan, supervise and control the Chapter finances and the use and maintenance of chapter property, both real and personal. It also has the power to investigate, regulate, and control any and all expenditures and disbursements of chapter funds. Furthermore, the ABT also has the power to approve or disapprove the election of the "D" and has the power to remove the "D". In other words, the "D" is under the direction and control of the ABT. If it chooses to take control of the checkbook because a "D" is not doing his job, it may do so. (See Delta Chi Law: By-laws, Article VII, Section 6, Subsections (3) (b) and (c).)

The house corporation is typically a group of alumni that lease the house to the Chapter and may be responsible for the maintenance and contents of the property. The house corporation may either own or lease the house itself. The relationship between the house corporation and the Chapter is one of landlord to tenant.

The important thing for the financial management team to remember is that these individuals are offering a service to the Chapter. Utilize their talents, cultivate them, and take interest in them so they will keep interest in Delta Chi. Be sure to provide them with all the necessary information (financial reports, etc.) they need to do their jobs. They expect the "D" and the finance committee to live up to their list of responsibilities, as should the Chapter expect them to follow theirs. When a member of one of the boards makes a request, the "D" should fulfill it to the best of his abilities. The Board member is volunteering his time and should not have to wait for the "D" to do his job properly.

### **MONTHLY FINANCIAL REPORTS**

A financial report is a summary of the organization's financial position each month. The Chapter can access the necessary information from the financial records, if they are kept in order.

The purpose of the report is to evaluate the Chapter's financial position each month and to catch problems before they get out of hand. The finance committee can use this report to ensure that the Chapter is staying within budget. Availability of the report should be wide-spread: posted in the house, explained at the Chapter meeting and copied to and reviewed with the ABT and HC.

A simplified form has been provided at the end of this **BRIEF**.

## SECTION VI: RELATIONS WITH THE FRATERNITY

The "D" is an important communication link between the Chapter and the Fraternity. The information and money that passes between your chapter and Delta Chi Headquarters are vital. When the "D" receives official correspondence of any kind, he should read the information at the Chapter meeting. Delta Chi Headquarters requests that the "D" and the financial management team consider the following:

One area of major concern is the proper transmittal of individual dues and assessments to the Fraternity. A chapter has no legal right to make use of those funds. The use of the funds for chapter purposes is unacceptable because (1) you have illegally used the Fraternity's money and (2) you have overspent or undercollected, and it is a very long road back to solid ground. Under no circumstances should the "D" misappropriate these funds. Each person who pays his Associate Member and Initiation Dues expects and deserves the right of enrollment as a Delta Chi; however, he will not officially be a Delta Chi unless the "D" properly handles the money.

1. **Associate Member Dues** - Associate Member Dues (AMDs) must be sent to Delta Chi Headquarters within *five* days of the date of association. The "C" should report the name of each individual in the Chapter Meeting Report immediately following such association. If a person disassociates within two weeks, be certain that the "C" reports this action in the next Chapter Meeting Report so that the Chapter may receive credit for this person's AMD. If the Chapter does not report the action within the allotted time, the Chapter will be held responsible for the payment of that AMD (see Delta Chi Law: Regulations, Article IX, Section II).
2. **Initiation Dues** - Initiation Dues (IDs) must be sent in to Delta Chi Headquarters at least *two weeks* prior to initiation. This means that the "D" must collect the Dues in sufficient time before the initiation to receive written permission to initiate from the Executive Director. No individual may be initiated until Delta Chi Headquarters has received his *AMD, ID, and Personnel Record form, and the Chapter has received written authorization from the Executive Director*. Failure to obtain written authorization prior to initiation shall result in a fine imposed against the Chapter of \$25.00 per initiate.
3. **Membership Dues** - The Chapter will be assessed membership dues (see Schedule of Dues) for each member in the group (initiated prior to the most recent July 1st) after Delta Chi Headquarters has received and processed the membership lists from the "C" (due February 15 and October 15).
4. **Chapter Assessment** - The Fraternity bills chapters and colonies for the Chapter Assessment (see Schedule of Dues) in January of each year to cover some of the expenses of holding a convention.
5. **Liability Insurance** - The bill for each year is based on a formula designed to approximate the average annual chapter membership. The Headquarters staff will use the Spring Membership List, plus new initiates, plus any holdover associate members, minus graduates reported, minus 10% for normal attrition. The number of men actually returning in the fall is not relevant nor is the addition of the fall or following spring associate member classes. The premium is established annually based on rates from the Fraternity's insurance carrier. A discount will be applicable if the bill is paid in full by the published due date.
6. **Bonding the "D"** - Delta Chi Law provides that all chapter "D"s shall be bonded. The bond is insurance to protect the Chapter if a "D" embezzles money from the group. As soon as the "C" reports the election to the office of "D" in the Chapter Meeting Report, Delta Chi Headquarters will send the "D"-elect an application form for the blanket bond coverage that the Fraternity carries on all chapter "D"s. The "D" should complete the form and return it to Delta Chi Headquarters within ten days. The treasurers of all ABTs and HCs are also covered by this bond when they are elected. The bond has a coverage of \$10,000. The premium for the bond is divided equally among the groups and is billed in September every year.
7. **Placing Orders With Delta Chi Headquarters** - When ordering supplies or manuals, please use the supply order blanks from Delta Chi Headquarters or call the Headquarters Office. Orders should only be made by, or at least always authorized by, the "D".
8. **Paying Bills** - Payments are recorded the date they are received at Delta Chi Headquarters, not the date the check was written nor the postmark date. For chapters with outstanding balances, payments will always be applied first to associate member and initiation dues (if there are several bills for associates and initiates, the oldest will be paid first). Liability insurance and supply orders accompanied by proper payment will always be credited at the Chapter's request, but all other payments will be applied to the Chapter's oldest outstanding debt.
9. **Interest Charges** - Delta Chi Law provides that the Fraternity may charge interest on any accounts aged 30 days or more.

## SECTION VII: COLLECTIONS

Obviously, brotherhood is the main goal of our organization. However, a chapter cannot survive on brotherhood alone—it takes money to run the organization. Some members seem to believe that “true brotherhood” entails letting them go without paying their bills until they happen to have some money available. “After all,” some may argue, “we’re all brothers and it’s not fair making me pay money that I don’t have, and I really want to belong to the fraternity.” If a person who is not paying his bill truly believes in brotherhood, and if the other “brothers” in the Chapter truly believe that he is good for the money, he should be able to borrow a few dollars from each of his brothers to meet his obligations. Let that be the test of the Chapter’s “brotherhood!”

A chapter is a business—it must be run in a business-like fashion. Neither the Fraternity nor its chapters can afford to carry accounts receivable. It is the responsibility of the “D”, along with the financial management team, to make sure each member pays his bill.

When a person first joins a fraternity, he should be well aware that he is taking on an obligation to support the organization financially through the regular payment of dues, assessments, rent, board, etc. Too many chapters and colonies have allowed their members to renege on this obligation, and subsequently members run up accounts receivable that are uncontrollable and uncollectable.

It is the responsibility of each member to carry his fair share of the financial burden involved in operating a chapter. The man who does not pay his bills on time becomes a parasite, feeding off the generosity (or stupidity) of his brothers. He is taking the services and benefits of the Chapter without returning his rightful contribution. In effect, he is stealing from the treasury just as much as if he had walked off with the checkbook. There is no room for this type of individual in Delta Chi, and the Chapter should deal with the individual before the situation worsens.

In the same context, the Chapter cannot afford to lower its fees to a level at which everyone can easily pay. By doing this, you are denying the Chapter the funding it needs because of one or two individuals. One way to handle this is to establish an “ABT Fund,” which can give financial aid loans or even scholarships to members who cannot afford the benefits of brotherhood. This account is developed by transferring 5% of membership dues to it each semester. The ABT then decides who may get the loans or scholarships. If an individual refuses to sign a loan agreement, you then know his priorities.

Finally, the Chapter must make a written contract with each member for room, meals and dues. For the contract to be legal and binding, it must be signed or co-signed by person(s) of legal age. You may use the sample contract at the end of this **BRIEF**. *However, please be sure to have it reviewed by an attorney in your area to ensure its compliance with local and state laws.*

### **POLICIES FOR COLLECTION**

The following are several policies and ideas that, if established by a chapter, will facilitate the collection of accounts receivable on a steady and predictable basis. The Chapter should build these policies into its by-laws to be effective. The implementation and courses of action taken are then automatic, regardless of the excuses from the members in question. All procedures are then subject to appeal to a higher body, such as the executive committee or finance committee. The ABT may be used as the last line of appeal, like our supreme courts. The member bears the burden of proving his case to the appeals board.

**A. Payments** - Have each member sign an agreement of obligations that spells out the dues structure and acknowledges the Chapter’s right to raise its dues. To insure that the Chapter collects the money due, the Chapter policy should require that members pay their bills on time and in full. As well, each member should pay his rent and a damage deposit before he moves into the house. This is a good, common business practice, and the Chapter by-laws should include this policy. Full payment should not be too much to ask of each member. If he did not have the house to move into, he would have to pay the deposit money to live somewhere else. Avoid falling into the trap of threatening a member with disciplinary or legal action, then continually backing off because you feel it “isn’t brotherly.” Establishing this precedent will only ensure that the member will live in the Chapter house for free and never feel compelled to pay a dime for the benefits he has received. Also, keep in mind that most students have ample money when first returning to school. There’s no reason to let the member spend it on non-essentials while he can pay his bills. Some chapters bill their members over the summer. That way each member can have his bill taken care of before returning to school.

Any member who does not pay his bill in full, according to the terms outlined in the Chapter by-laws, should sign a promissory or installment note. It is beneficial for the Chapter/colony to have each member sign these notes before the semester begins, which serves as another way to hold him accountable. The note clearly illustrates his obligation to the Chapter and serves as added legal protection if it becomes necessary to take an indebted member to small claims court to collect the required dues.

**B. Discounts** - Chapters wishing to encourage prepayment can offer a discount on the entire bill. The discount should either be a percentage of the bill (e.g., 5%) or a flat amount (e.g., \$25). If a person pays for a full year at the beginning of the term, he may receive a larger discount. If properly handled, the Chapter will not lose any money. The Chapter can place prepaid funds into a savings account and draw interest. Also, under this plan, the finance committee can set the Chapter bill higher than the normal charge. Those members who pay their bills in full receive a discount on the original amount. Others pay the higher amount.

For example, if dues are currently \$300/term and the plan is to provide a 5% discount for full payment, then the dues should be raised 5% to \$315. This way the Chapter will not lose money on the discounts, and, if properly publicized, more members are likely to pay their bills in full.

**C. Alumni Board of Trustees** - ABTs can be very useful in the collection of accounts receivable. With an ABT holding each member responsible, friction between the members, the "D" and the other officers is eased. The ABT must meet on a regular basis (monthly is highly encouraged). The ABT will then review all overdue accounts, meet with the individual(s) to have him/them explain the reasons for the past due debt and take the necessary action during this meeting. If needed, the ABT has the authority to put a member on inactive status for financial reasons.

**D. Suspension of Privileges** - If a person is unable or unwilling to pay his bills and the ABT cannot work out a solution with him, the next step is to suspend his privileges. Privileges include the right to vote in meetings, take part in ritualistic activities, attend social activities, play on intramural teams, hold an office, participate in any Delta Chi activity, and eat meals and live in the Chapter house. It is senseless to allow a person to eat and live in the house if he is not paying; it is better to either replace him with a paying member or remove him to lower the overhead costs he incurs and halt the growth of his debt. This also avoids eroding the morale of those who are paying and eliminates the message that it is okay not to pay. It is important that all members sign contracts every term!!!

**E. Inactive Status** - Delta Chi Law provides that a member may be placed on inactive status without his consent by the Chapter or the ABT. Please see Section II for more information.

**F. Expulsion** - Delta Chi Law (Constitution, Article V, Section 3; By-laws, Article V, Section 2; Regulations, Article V, Section 2) details the procedure for the expulsion of a member from the Fraternity. Indebtedness of a member to a chapter or to the Fraternity constitutes unworthy conduct as defined in the Constitution, and a chapter may expel such a member from the Fraternity.

A brother who does not pay the fees expected of every Delta Chi in his chapter is not being a true brother. Any chapter or colony with a high accounts receivable problem should consider this course of action. Chapter members should never take expulsion proceedings lightly. A chapter must make certain that it observes the procedures outlined in Delta Chi Law. Failure to observe the proper proceedings may result in having an expulsion overturned by the Board of Regents. Delta Chi Headquarters has a fact sheet available on this matter that officers should review with the Chapter before any and all trials. It is available through the Director of Chapter Development, Chapter Operations Manual, (C.O.M.), and the Fraternity's website at [www.deltachi.org](http://www.deltachi.org).

**G. Legal Action** - If, at this point, the bill is still uncollected, then the Chapter should take the person to small claims court (depending on the amount of the debt). This is not an unfair action; failure to take this action is unfair to those who pay their fair share! The clerk of courts can usually provide instructions on how to proceed. Typically, a moderate fee is charged per case filed, and the alleged debtor is served a summons to appear in court. A judge hears the case and rules as to the amount owed. It is crucial that the Chapter have good records (such as the membership contract, bounced checks, copies of bills presented to the member and promissory/installment notes). In the case of a favorable judgment, the defendant must pay the debt and your court costs. The defendant not showing up will result in a default judgment against that person. Once a judgment is obtained, it can still be difficult to collect the money owed. The court has procedures for garnishing wages and seizure of personal property, but all this takes time and some trouble. The court also registers the unpaid lien against the person's credit record, which could bind his future efforts to borrow money, such as for a credit card, house or car loan. Specifics vary from state to state and among the provinces.

H. **Collection Agency** - Another avenue to pursue may be turning the debt over to a licensed collection agency. They are often able to collect most of the money owed. Depending on the agency used, they may be able to adversely affect a member's credit record for those times that the agency cannot collect. While an agency will take a percentage of the money for its fee, some money is better than no money.

The best solution to the problem of accounts receivable is not to allow them to accumulate in the first place. The "D" and the other members of the ABT are in complete control of this situation. If the "D" insists on the payment of every account and the ABT and chapter support this policy, there is little chance of the Chapter running up a long list of accounts receivable. The "D" and every member of the Chapter are responsible for discouraging members from not paying their bills. Remember expectation number five of The Basic Expectations of a Delta Chi.

Set the rules firmly and enforce them. Do not make exceptions to the rules. This will only lead to members looking for ways to get around paying their bills. The fraternity must have money to operate.

### **OTHER USEFUL IDEAS**

1. Read the list of accounts receivable at every chapter meeting.
2. Recognize those members who have paid their bills.
3. If members of the Chapter believe that it is "unbrotherly" to expect a brother to pay his past due bill, then make a motion in the Chapter meeting to have his delinquent bill split among the rest of the members until the delinquent "brother" pays. Of course, they will more than likely vote "no" and will then pressure that member to pay his bill.
4. If there are any empty beds in the house, do not allow any member to live by himself, even if he is willing to pay extra rent. Put all members together and lock the empty rooms. This will prevent the members from not wanting to rush because they may lose their single rooms.
5. If allowed by your institution, place holds on a delinquent member's ability to register, get transcripts or a diploma.

### **ADDITIONAL RESOURCES AVAILABLE**

The Delta Chi Fraternity, Inc. has endorsed Parson & Bishop Services, Inc. for use in collecting outstanding debt whether owed by undergraduates or alumni. For additional information contact:

Parson & Bishop Services, Inc.  
7870 Camargo Road  
Cincinnati, Ohio 45243  
Ph. (800) 543-0468 (Toll Free)  
Fax (513) 527-8919  
e-mail: [clientservices@parsonbishop.com](mailto:clientservices@parsonbishop.com)

For budget management, The Delta Chi Fraternity, Inc. has endorsed both Greek Bill, Inc. and Omega Financial, Inc. For additional information contact:

Greek Bill, Inc.  
2512 Artesia Blvd., Suite 240  
Redondo Beach, California 90278  
Ph. (800) 457-3816 (Toll Free)  
Fax (310) 376-9088  
e-mail: [contactgreekbill@greekbill.com](mailto:contactgreekbill@greekbill.com)

Omega Financial, Inc.  
1300 Sixth Avenue, Suite 6  
Columbus, Georgia 31901  
Ph. (800) 276-6342 (Toll Free)  
Fax (800) 571-0043  
e-mail: [info@omegafi.com](mailto:info@omegafi.com)

## **SECTION VIII: TAX GUIDELINES (FOR CHAPTERS IN THE UNITED STATES)**

FRATERNITY CHAPTERS AND HOUSE CORPORATIONS MUST FILE FEDERAL TAX FORMS. FAILURE TO COMPLETE REQUIRED TAX FORMS HAS RESULTED IN SEVERE PENALTIES.

### **CLASSIFICATION OF FRATERNITIES**

Fraternal organizations in the United States are usually classified in the 501(c)7 category. This part of the Internal Revenue Code covers social clubs and organizations but may also include house corporations if they conduct social activities. Those organizations that apply for and gain an exemption are exempt from paying income tax as defined under section 501(a) of the Internal Revenue Code. Because chapters and colonies are subordinates of The Delta Chi Fraternity, a 501(c)7 organization, they are automatically classified as 501(c)7s. With the exception of organizations in the State of Indiana that have received the proper exemption, all chapters and house corporations still must pay all applicable sales and property taxes. House corporations, as legally separate organizations, must apply for their own exempt status.

### **GENERAL RULES**

Here are some general rules for 501(c)7 organizations:

1. No charter, constitution, by-law or written policy statement may contain any provision providing for discrimination against any person on the basis of race, color or religion.
2. No part of the organization's net earnings may inure to the benefit of any person having personal and private interest in the activities of the organization.
3. Organizations must possess the characteristics of a club.
4. Membership must be limited. There must be limitations on admission to membership within the character of the organization.
5. In general, the organization's support must be primarily from membership fees, dues and assessments.
6. The organization's objectives must be for pleasure, recreation and other not-for-profit purposes.
7. Minimal business activities with the general public are allowed, and the organization's facilities must be for members and their guests (not open to the general public). Up to 15% of this type of income is allowed.
8. Not more than 35% of the organization's income, including the 15% rule, is permitted to be from sources outside its membership without losing exempt status.

### **EMPLOYER IDENTIFICATION NUMBER**

Any organization that receives an exemption or falls under a group exemption MUST have its own employer identification number (EIN). It must have this number whether or not it has employees. Look at this number as a social security number for businesses and organizations, rather than individuals. In addition, an EIN is required by many banks prior to opening a checking account for an organization. Form SS4 from the Internal Revenue Service (IRS) is used to obtain an EIN. If you do not know your EIN, Delta Chi Headquarters maintains a list of EINs provided by the Chapters.

### **FEDERAL TAX CALENDAR** (for fiscal years ending on June 30. Please adjust the dates to fit your actual fiscal year)

- By January 31: Give each employee a completed W-2 - Wage and Tax Statement. File Form 940 - Annual Employer's Tax Return. File Form 941 - Quarterly Employer's Federal Tax Return and pay any undeposited income and social security taxes.
- By February 15: Ask for a new Form W-4 - Employee's Withholding Allowance Certificate from each employee whose withholding status may have changed.
- By February 28: File Form W-3 - Transmittal of Income and Tax Statements with the Social Security Administration and include Copy A from each of the Chapter's employees' W-2 forms.
- By April 30: File Form 941 and pay any undeposited income and social security taxes.
- By July 31: File Form 941 and pay any undeposited income and social security taxes.
- By October 31: File Form 941 and pay any undeposited income and social security taxes.
- By November 15: File Form 990 or 990EZ - for tax exempt organizations whose fiscal year ends June 30. If your

fiscal year does not end on June 30, you must file this form on the 15th day of the 5th month following your fiscal year end.

NOTE: Know when your fiscal year ends, as the due dates for any of the above forms change accordingly.

## **FORMS TO USE**

The Form 990EZ is very similar to, but much shorter than, the Form 990. For the most part it is self-explanatory. File Form 990EZ only if gross receipts are less than \$100,000 and total assets are less than \$250,000. Otherwise file Form 990.

Forms 940 and 941 are for any organization that employs a cook or a housemother or any other employees on a full or part-time basis. These forms are filed quarterly in order to report all compensation paid to the employee(s) of record during the stated time period. These are filed by the end of the month following the end of the quarter. The 940 is largely based on the 941.

New employees should complete a Form W-4 as soon as they begin work. Once the number of allowances is determined on the W-4, the organization can then use that number to compute the amount of income tax to withhold from their pay. To accurately acquire this information, you must know how the organization pays its employee(s), that is, whether it is weekly, biweekly, monthly, etc.

Form W-2 must be completed for all of the organization's employees at the end of the calendar year. This form is simply a summary of the total wages that the organization paid them in the calendar year, as well as all of the income and social security taxes the organization withheld. Copies B, C and 2 should be given to your employees by January 31. Copy A, along with a completed W-3, should be filed with the Social Security Administration. It should be filed by February 28. Form W-3 should be filed with Copy A of the W-2. It should be filed by February 28.

## **PENALTIES**

- 990 and 990EZ: A penalty of \$10 a day, with a maximum of \$5,000, may be charged when a return is filed late. To request a time extension, the Chapter must complete and submit Form 2758 before the respective form's due date.
- W-2, W-3 and W-4: The federal penalty for filing late or unreadable forms is \$50 per document.
- 940 and 941: If you file late, explain why in an attached sheet and you may not be penalized by the IRS. Otherwise, interest will be charged on all unpaid taxes and other penalties could result.

## **CONTRIBUTIONS**

Contributions to any 501(c)7 organization, such as The Delta Chi Fraternity or any of its subordinate chapters or colonies, are not tax deductible to the individual making the contribution. Contributions made to any of the Chapter house corporations or Alumni Boards of Trustees are also not tax deductible.

## **SOLICITATIONS**

According to federal law, any printed solicitation by a chapter or Alumni Board of Trustees for donations **MUST** include a statement (with a typeface equal to or greater in size than that used for the solicitation) saying that "Any contribution made to this organization is not tax deductible." It must either stand alone or be the first or last sentence in a paragraph.

## **UNRELATED BUSINESS INCOME**

If the organization has unrelated business income (interest, investments, etc.) over a certain amount, it must be reported to the IRS. Consult local tax counsel for more information on what forms to use and when they are due. Generally, all forms must be turned in on the 15th day of the 5th month after the close of the Chapter's accounting period. Taxes may be due on this type of income.

## **NON-MEMBER INCOME**

Non-member income can be defined as any income that the Chapter receives from any person who is not a member of The Delta Chi Fraternity. Non-member income (income from any non-member for room, board, parking privileges, fund-raising, etc.) may not exceed 35% of total income or the tax exempt status may be lost. Consult local tax counsel for more information.

## **SALES TAX**

It is common for chapters to think that not-for-profit organizations are also exempt from paying sales or property taxes. This is wrong. Sales and property taxes must be paid by chapters in every state except for Indiana (after a special exemption has been applied for and granted). It is illegal to allow local merchants to give an organization exemption from sales tax when the Chapter is clearly not exempt as defined by the IRS.

## **SEEKING TAX COUNSEL**

It is strongly suggested that when the Chapter has any questions regarding the filing of taxes, the Chapter should consult tax counsel. The tax counsel that the Chapter chooses should be one that has a thorough knowledge of not-for-profit organizations, specifically Greek lettered organizations. The best way to seek out tax counsel is to talk with other organizations using tax counsel or speak with the Greek Advisor. They should be able to point the Chapter in the right direction.

## **IMPORTANT PHONE NUMBERS**

Federal Tax Office (to request tax forms): 1-800-424-3676

The local tax office can give you assistance. Check the Yellow Pages for the number.

## **PUBLICATIONS AVAILABLE**

The IRS provides the following publications:

- Circular E - Employer's Tax Guide- Instructions for Form 990
- Publication 393 - Federal Employment Tax Forms
- Publication 557 - How to Apply For and Retain Exempt Status For Your Organization.
- Forms and publications are available for download from the IRS website: [www.irs.gov](http://www.irs.gov).

## SECTION IX: SUMMARY CHECKLIST

### DATA COLLECTION

Purpose: To accumulate the necessary financial data so the Chapter can most accurately budget for all possible expenses.

- Search all the available chapter records.
  - Study the checkbook for expense records.
  - Review bank statements for monthly purchasing trends.
  - Chapters with reliable records should analyze old budgets, old expense ledgers and all receipts kept in these files.
  
- Talk to all individuals who can offer financial advice.
  - Meet with the previous "D" for officer training and prior to budget meetings.
  - Access information from former chairmen by discussing their anticipated semester expenses.
  - Insist that the chairmen for next semester turn in budget request forms with time-based outlines for their semester expenses.
  - Ask the IFC Treasurer about dues and other assessments and possible access to sample budgets.
  - Call utility companies and Delta Chi Headquarters for fee structures.
  - Consult with the financial advisor of the ABT.
  
- Executive committee names a finance committee.
  
- Finance committee responsibilities.
  - Review chapter financial records.
  - Recommend membership dues for the semester.
  - Allocate funds for all semester expenditures.
  - Set aside funds for savings and contingencies.
  - Present completed budget to executive committee.
  
- Executive committee responsibilities.
  - Hold discussions on budgeted items.
  - Approve the budget for presentation to the ABT and chapter.
  
- ABT responsibilities.
  - Make necessary amendments to the Chapter budget.
  - Approve the budget.
  
- Chapter responsibilities.
  - Discuss budgeted items.
  - Amend the presented budget, if necessary.
  - Approve the budget.

### MAINTENANCE OF The Chapter RECORDS

Purpose: To accurately update financial files and inform the Chapter members and the alumni of the Chapter's financial status. To provide documentation for the IRS.

- Collect membership dues.
  - Debit members' accounts at the semester's start.
  - Set up payment methods for members.
    - a. incentives for prepayment
    - b. on-time payments (accept checks only)
    - c. payment plans and promissory notes
  - Maintain accurate membership ledgers to record all charges and payments.
  - When a member pays all or a portion of his bill, the "D" must issue a receipt (two copies: one for the member and one for the Chapter's permanent files).

- Follow an expense-request procedure.
  - "D" credits each expense account with the budgeted amount at the semester's start.
  - Chairman files expense request forms with the "D".
  - "A" and "D" must approve the request and both sign the check (two signatures always required).
  - Chairman gets a receipt from the transaction and gives it to the "D".
  - "D" updates the expense ledger and places the receipt into the Chapter's permanent records.
- "D" reports to the Chapter weekly and to the alumni monthly.
  - Note any amendments to the budget, the Chapter's current accounts receivable and payable, and the Chapter's overall financial status.

## **PERMANENT RECORDS**

Purpose: Use for review during the budgeting process and as a safeguard in the case of a IRS audit.

- Membership files
  - Copy each member's ledger sheet, and place it into a separate file at the end of each semester.
  - Keep all receipts of payments on which the check number and the date are recorded.
  - If you are using electronic software, print out hard copies and save a backup copy of the information.
- Expense files
  - Expense ledger.
  - Expense request forms, approved/denied.
  - Receipts from purchases in the appropriate files.
- Old copies of budgets: compare actual expenses to the budgeted amounts.

**THE DELTA CHI FRATERNITY  
OPERATIONS  
STANDARD BUDGET FORM**

**TERM/YEAR:** \_\_\_\_\_

(100) Chapter Operations Income

(101) Dues:

(101a) \_\_\_\_\_ Members at \$ \_\_\_\_\_ \$ \_\_\_\_\_

(101b) \_\_\_\_\_ Associate Members at \$ \_\_\_\_\_ \$ \_\_\_\_\_

(101c) \_\_\_\_\_ Graduate Students at \$ \_\_\_\_\_ \$ \_\_\_\_\_

Total Dues Income (add lines 101a to 101c) at \$ \_\_\_\_\_ \$ \_\_\_\_\_

(102) Liability Insurance Assessment (if not part of dues)

(102a) \_\_\_\_\_ Members at \$ \_\_\_\_\_ \$ \_\_\_\_\_

(103) \_\_\_\_\_ at \$ \_\_\_\_\_ \$ \_\_\_\_\_

(104) \_\_\_\_\_ at \$ \_\_\_\_\_ \$ \_\_\_\_\_

(105) Gross Chapter Operations Income

(add lines 101 through 104) \$ \_\_\_\_\_

(106) Anticipated Chapter Operations Income

(Gross income less 10% of line 105 times 0.9) \$ \_\_\_\_\_

(500) Chapter Operations Expenses

(501) Recruitment \$ \_\_\_\_\_

(502) Associate Member Dues (to IHQ) \_\_\_\_\_ # of AMs X \$ \_\_\_\_\_ \$ \_\_\_\_\_

(503) Membership Dues(to IHQ) \_\_\_\_\_ # of Members X \$ \_\_\_\_\_ \$ \_\_\_\_\_

(504) Liability Insurance (to IHQ) \_\_\_\_\_ # of Members X \$ \_\_\_\_\_ \$ \_\_\_\_\_

(505) Chapter Assessment \$ \_\_\_\_\_

(506) Regional Conference \$ \_\_\_\_\_

(507) Leadership College \$ \_\_\_\_\_

(508) Travel/Hotel for Convention \$ \_\_\_\_\_

(509) IFC Dues \_\_\_\_\_ # of Members X \$ \_\_\_\_\_ \$ \_\_\_\_\_

(510) Alumni Relations \$ \_\_\_\_\_

(511) Public Relations \$ \_\_\_\_\_

(512) Scholarship \$ \_\_\_\_\_

(513) Accounting/Bookkeeping Services \$ \_\_\_\_\_

(514) Intramural Sports \$ \_\_\_\_\_

(515) Stationery and Postage \$ \_\_\_\_\_

(516) Awards and Recognition \$ \_\_\_\_\_

(517) Flowers and Gifts \$ \_\_\_\_\_

(518) Supplies \$ \_\_\_\_\_

(519) Composite \$ \_\_\_\_\_

(520) Philanthropy \$ \_\_\_\_\_

(521) Community Service \$ \_\_\_\_\_

(522) Social Expenses \$ \_\_\_\_\_

(523)	Savings/Reserves (7-10% of the anticipated Gross Income)	\$ _____
(524)	_____	\$ _____
(525)	_____	\$ _____
(526)	_____	\$ _____
(527)	Total Chapter Operations Expenses (add lines 501 through 526)	\$ _____
Total Anticipated Gain/(Loss) - (subtract line 527 from 106)		\$ _____

**THE DELTA CHI FRATERNITY  
HOUSE OPERATIONS  
STANDARD BUDGET FORM**

**TERM/YEAR:** \_\_\_\_\_

(200)	House Operations Income		
(201)	Room Rent _____ Members	at \$ _____(for the term)	\$ _____
(202)	Room Rent _____ Non-Members (See Section VIII)	at \$ _____(for the term)	\$ _____
(203)	Parlor Fee _____ Members	at \$ _____(for the term)	\$ _____
(204)	Rent Income from Other Sources	at \$ _____	\$ _____
(205)	Building Fund Assessments _____Members	at \$ _____	\$ _____
(206)	Gross House Operations Income (add lines 201 through 205)		\$ _____
(207)	Anticipated House Operations Income :		
	(Gross Income less 10% of Line 206, times 0.9)		\$ _____
(600)	House Operations Expenses		
(601)	Rent to House Corporation/Landlord		\$ _____
(602)	Rent to Others		\$ _____
(603)	Property Insurance		\$ _____
(604)	Housemother Salary	\$ _____	
(605)	Other Salary	\$ _____	
(606)	Payroll Taxes	\$ _____	
(607)	Benefits for Employees	\$ _____	
(608)	Total Salaries Expense (add lines 604 through 607)		\$ _____
(609)	Electric Utility	\$ _____	
(610)	Water Utility	\$ _____	
(611)	Gas Utility	\$ _____	
(612)	Garbage/Trash Utility	\$ _____	
(613)	Telephone Utility	\$ _____	
(614)	Sewage Utility	\$ _____	
(615)	Other Utility	\$ _____	
(616)	Total Utilities Expense (add lines 609 through 615)		\$ _____
(617)	Maintenance Supplies		\$ _____
(618)	Maintenance Repairs		\$ _____
(619)	Pest Control		\$ _____
(620)	Building Improvement Fund		\$ _____
(621)	Repayment of Debts or Loans		\$ _____
(622)	Cable TV or Satellite		\$ _____
(623)	_____		\$ _____
(624)	_____		\$ _____
(625)	Total House Operations Expenses (add lines 601-603,608 and 616 -624)		\$ _____
(626)	Anticipated Gain/(Loss) - subtract line 625 from line 207		\$ _____

**THE DELTA CHI FRATERNITY  
KITCHEN OPERATIONS  
STANDARD BUDGET FORM**

**TERM/YEAR:** \_\_\_\_\_

(300) Kitchen Operations Income			
(301)	Board Income _____	Members at	\$ _____
			\$ _____
(302)	Board Income _____	Non-members at	\$ _____
			\$ _____
	(See Section VIII)		
(303)	Guest Meal Charges		\$ _____
(304)	_____		\$ _____
(305)	Gross Kitchen Operations Income (add lines 301 through 304)		\$ _____
(306)	Anticipated Kitchen Operations Income		
	(Gross Income less 10% of line, 305 times 0.9)\$ _____		
(700)	Kitchen Operations Expenses		
(701)	Food Expenses		\$ _____
(702)	Cook		\$ _____
(703)	Waiters		\$ _____
(704)	Dishwasher(s)		\$ _____
(705)	Other staff position		\$ _____
(706)	Other staff position		\$ _____
(707)	Payroll Taxes		\$ _____
(708)	Benefits		\$ _____
(709)	Total Salaries Expenses (add lines 702 through 708)		\$ _____
(710)	Kitchen Share of Utilities Cost		\$ _____
(711)	Kitchen Supplies		\$ _____
(712)	Kitchen Equipment		\$ _____
(713)	Laundry and Linen		\$ _____
(714)	Repayment of Debts or Loans		\$ _____
(715)	Rent		\$ _____
(716)	_____		\$ _____
(717)	_____		\$ _____
(718)	Total Kitchen Operations Expenses (add lines 701 and 709-717)		\$ _____
(719)	Anticipated Gain/(Loss) - subtract line 718 from 306		\$ _____

**The Delta Chi Fraternity**  
**\_\_\_\_\_ Chapter/Colony**

**PROMISSORY NOTE**

AMOUNT \$ \_\_\_\_\_

DATE: \_\_\_\_\_

FOR THE VALUE RECEIVED, I, the undersigned (herein called the Maker) promise to pay to the order of the \_\_\_\_\_ Chapter of The Delta Chi Fraternity, located at \_\_\_\_\_ in the city of \_\_\_\_\_ in the state of \_\_\_\_\_, the principal sum of \_\_\_\_\_ dollars (\$ \_\_\_\_\_), plus interest at the rate of \_\_\_\_\_ percent ( \_\_\_\_\_ %) per annum.

It is further agreed that in case of failure to pay the amount due hereon at maturity, said note shall bear interest at \_\_\_\_\_ percent ( \_\_\_\_\_ %) per annum thereafter until paid in full and said chapter may proceed against an endorser or co-signer individually without first proceeding against the maker.

The Maker and/or co-signer of this note hereby agrees to pay all costs of collection, including reasonable attorney's fees and legal expenses, in case payment shall not be made at maturity, and, each and severally, waive presentment for payment, notice of non-payment, protest and notice of protest and diligence in enforcing payment or bringing suit against the party hereto.

DATE DUE: \_\_\_\_\_, 20 \_\_\_\_

\_\_\_\_\_  
Maker (print name)

\_\_\_\_\_  
Chapter "A" (Signature)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Chapter "D" (Signature)

\_\_\_\_\_  
Co-signer (print name)

\_\_\_\_\_  
Signature

Note: The above should be filled out and signed in triplicate (or quadruplicate if there is a co-signer). The original should be filed and retained in a safe place; one copy should be kept with the "D"; and one copy should be returned to the maker of the note. A co-signer is necessary if the individual is a minor.

The Delta Chi Fraternity  
Chapter/Colony

INSTALLMENT NOTE

AMOUNT \$ \_\_\_\_\_

DATE: \_\_\_\_\_

FOR THE VALUE RECEIVED, I, the undersigned (herein called the Maker) promise to pay to the order of the \_\_\_\_\_ Chapter of The Delta Chi Fraternity, located at \_\_\_\_\_ in the city of \_\_\_\_\_ in the state of \_\_\_\_\_, the principal sum of \_\_\_\_\_ dollars (\$ \_\_\_\_\_), plus interest at the rate of \_\_\_\_\_ percent ( \_\_\_\_ %) per annum, accruing from and after \_\_\_\_\_ for \_\_\_\_\_.

These sums are payable according to the following schedule:

\$ _____	due: _____, 20__

It is further agreed that in the case of a failure to pay an installment within one (1) week of the due date, the Maker shall be charged a penalty of \_\_\_\_\_ dollars (\$ \_\_\_\_\_) each week thereafter until the installment is paid in full.

It is further agreed that in the case of a failure to pay the amount due hereon at maturity, said note shall bear interest at \_\_\_\_\_ percent ( \_\_\_\_ %) per annum thereafter until paid in full and said chapter may proceed against an endorser or co-signer individually without first proceeding against the Maker.

The Maker and/or co-signer of this note hereby agrees to pay all costs of collection, including reasonable attorney's fees and legal expenses, in case payment shall not be made at maturity, and, each and severally, waive presentment for payment, notice of non-payment, protest and notice of protest and diligence in enforcing payment or bringing suit against the party hereto.

\_\_\_\_\_  
Maker (print name)

\_\_\_\_\_  
Chapter "A" (Signature)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Chapter "D" (Signature)

\_\_\_\_\_  
Co-signer (print name)

\_\_\_\_\_  
Signature

Note: The above should be filled out and signed in triplicate (or quadruplicate if there is a co-signer). The original should be filed and retained in a safe place; one copy should be kept with the "D"; and one copy should be returned to the Maker of the note. A co-signer is necessary if the individual is a minor.

**STANDARD BUDGET SUMMARY**

TERM/YEAR: \_\_\_\_\_

Anticipated Chapter Operations Income (line 106) \$ \_\_\_\_\_

Anticipated House Operations Income (line 207) \$ \_\_\_\_\_

Anticipated Kitchen Operations Income (line 306) \$ \_\_\_\_\_

Total Anticipated Income (add lines 106, 207, and 306) \$ \_\_\_\_\_

Total Chapter Operations Expenses (line 527) \$ \_\_\_\_\_

Total House Operations Expenses (line 625) \$ \_\_\_\_\_

Total Kitchen Operations Expenses (line 718) \$ \_\_\_\_\_

Total Expenses (add lines 527, 625 and 718) \$ \_\_\_\_\_

Total Gain/(Loss) for the term \$ \_\_\_\_\_

# SIMPLIFIED MONTHLY BUDGET REPORT

Term ending \_\_\_\_\_, 20\_\_\_\_\_

INCOME	Budget (for term)	Actual (term to date)	Difference (term to date)
Dues (members)			
Dues (associate members)			
Liability insurance assessments			
Other assessments and fees			
Rent			
Parlor fees			
Board (meals)			
Savings account interest			
Miscellaneous			

TOTAL INCOME

EXPENSES	Budget (for term)	Actual (term to date)	Difference (term to date)
Membership dues to Delta Chi			
Liability insurance			
Chapter assessment			
IFC dues			
Rush			
Alumni relations			
Community service			
Office supplies			
Social activities			
Intramural sports			
Accounting/bookkeeping			
Salaries			
Food			
Rent to house corp./landlord			
Property insurance			
Utilities			
Repair and maintenance			
Furnishing and equipment			
Miscellaneous			
Savings			

TOTAL EXPENSES

Note: All listed line items may not apply to your chapter operation. Use only those that apply to your situation.

# BUDGET REQUEST FORM

Committee: \_\_\_\_\_

Chairman: \_\_\_\_\_

Term: \_\_\_\_\_ Year \_\_\_\_\_

## ITEMIZED PROPOSED COMMITTEE EXPENDITURES In order of priority

ITEM/EVENT attach a breakdown and description of each	COST estimate
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

TOTAL FUNDS REQUESTED \$ \_\_\_\_\_

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Finance Committee Use Only

Approved Budget: \$ \_\_\_\_\_

Recommended Changes:

**EXPENDITURE APPROVAL/  
CHECK REQUEST FORM**

Date: \_\_\_\_\_

Committee: \_\_\_\_\_

Chairman/Officer/Committee Member: \_\_\_\_\_

ITEM: \_\_\_\_\_

TO BE PURCHASED FROM: \_\_\_\_\_

AMOUNT: \$ \_\_\_\_\_

\_\_\_\_\_  
Committee Chairman Approval (signature)

And if expense exceeds \$50: \_\_\_\_\_  
Executive Committee Approval ("B"'s signature)

And if expense exceeds \$100: \_\_\_\_\_  
Chapter Approval ("A" attests)