



FINANCIAL PRACTICES FOR STUDENT ORGANIZATIONS

BUDGETING

- Prepare budget at beginning of academic year.
- Set realistic targets; budgeted income should equal or exceed expenses.
- Document procedures and assumptions used to determine budgeted income and expenses.
- Maintain consistency with financial reporting format.
- Gain approval of the final budget from members, board, and advisor.

FINANCIAL REPORTING

- Maintain consistent budget format.
- Compare current year projected budget with actual expenditures.
- Prepare financial reports throughout the semester and share with members, board and advisor, according to the organization constitutional policy (stating how budget must be reported at meetings and proceedings, i.e. bi-weekly, monthly, bi-monthly, etc).

CASH/RECEIPTS

- Restrictively endorse checks “for deposit only, organization name” upon receipt.
- Limit cash-handling to making change for events and for organizational travel ONLY.
- Secure checks and cash in a safe place prior to deposit.
- Make frequent deposits, at least weekly.
- Maintain cash receipts log and record receipts in the checkbook.

PAYING BILLS

- Establish process to review and pay bills by check at least monthly; don’t use cash if possible.
- Review vendor invoices and receipts prior to payment.
- Ensure that two officers (delegated by organization and on file with bank) sign all checks.
- Keep copies and records of vendor invoices and receipts after payment.
- Record checks in the checkbook on a timely basis.
- Reconcile all checks written to bank statement each month.

BANK RECONCILIATION

- Reconcile bank balance to checkbook balance each month.
- Document all reconciling items.
- Resolve errors identified.
- Obtain officer, board, and advisor approval for the reconciliation.

ROLES & RESPONSIBILITIES

- Separation of duties: two officers should handle all key financial duties.
- Establish an officer transition plan. Document key duties and maintain copies of budgets, financial reports, contracts, bank statements, checkbook, and copies of paid dividends, etc.

