

## Treasurer - Good Practices

[https://meritbadge.org/wiki/index.php/Treasurer - Good Practices](https://meritbadge.org/wiki/index.php/Treasurer_-_Good_Practices)

### Key Ideas and Goals

- **Keep it simple.** Don't require large corporation policies and procedures. We're all volunteers with very full lives.
- **Divide and conquer** the accounting so that each step is a smaller easier process.
- Make it **easy to re-create** financial records when things get messed up.
- Make it **easy to trace** the money spent and the money received.
- Automate
  - Simple units such as small Cub Scout packs without "scout accounts" can probably survive using Excel.
  - Larger units or units with Scout Accounts might consider adopting TroopLedger, QuickBooks or Excel with a scouting template.
    - This contradicts "keep it simple". Formal accounting software require accounting expertise.
- **Keep up to date** - Units repeatedly get in trouble when the treasurer falls weeks or months behind in their record keeping.
- **Reimburse quickly** - You will quickly lose volunteers if you don't reimburse them for weeks or months.
- **Be supportive** - We're all volunteers. Though the treasurer can be one of the hardest jobs in a unit, every volunteer job is significantly harder than doing nothing. Help each other get things done and succeed.
- **Don't burn your volunteers** - If they incur a "reasonable" expense, get them reimbursed in a timely way. If it's not reasonable, you have a different issue.
- **Watch the rumors** - Misunderstandings easily occur over money, hurt reputations and drive away volunteers.

### The Bank

Example bank statement with check images.

- Don't hesitate to switch banks. It's cheaper to switch to the right bank than to stay in a less than perfect match.
- Avoid fees. Some banks have **community service checking accounts** that do NOT require a minimum balance, do NOT charge a monthly fee and do NOT charge other fees such as fees for too many checks being deposited (fundraisers).
- Ask if the **online PDF bank statements will include images of the checks** written against the account. This allows you to read the name on the check and the "comments" field. Most banks allow access to check images one-by-one when on-line. Some have them printed on mailed paper statements. But it is extremely useful to have the images on the on-line bank statements themselves because you can save them to PDF files and email

to your co-leaders. **You may want to change banks to get this capability** as it promotes open easy communication and traceability.

- Have **at least two registered signers** for the checking account. Three or more signers is preferred.

## The Person

BSA has no strict rules for the treasurer's position. Plus, the position can take significant work and be one of the key positions in any unit.

- You can ask the treasurer of the Chartered Organization to be your treasurer.
- You can divide the role any way necessary matching your organizational needs.
- BSA encourages the checking account have two, three or more authorized signers.
- BSA encourages (NOT REQUIRED) two or more signers for every check. This can add challenges and work.

## The right person

- Not everyone will be a good treasurer. You don't need to be a CPA or a math teacher. But the treasurer must be organized and be willing to regularly spend time at home balancing the books when everyone else is taking a break from scouting.
- If the treasurer falls behind, fix the situation. If it's a one time life or family situation, your unit will survive. If it's a recurring problem, find someone else to be treasurer.
- Don't be afraid to give up the job if you are the treasurer or to suggest someone else pick it up.

## Separation of Responsibilities

Even if the family has the best of reputations and single handedly started the scout group, split the responsibilities with multiple families. It's to protect both the interests of the unit and the reputation of the family.

- Don't have the unit leader and treasurer be the same person.
- Don't have the unit leader and treasurer be husband / wife.
- Don't have family members approve expenses or co-sign their own reimbursement check.

## Financial Secretary

Some organizations split the treasurer role into two positions: Treasurer and Financial Secretary.

- The Treasurer is transaction oriented. Collects money. Makes deposits. Receives expense reports. Pays bills. Writes checks.
- The Financial Secretary is planning and reporting oriented. Creates and manages the budget. Updates and publishes scout account records. Reviews bank statements. Balances the books. Creates event profit / loss event summaries.

- Coordination is done by the treasurer providing the submitted expense reports and detailed deposit information to the financial secretary.

## Transparency & Communication

- Openly share information
  - If someone wants to see the detailed finances, absolutely let them.
    - You probably want to sit down and walk them thru the documents to avoid misunderstandings or quick judgments.
    - You probably want to sit down with them to understand why they are asking.
  - Don't automatically send the detailed finances out to everyone. Finances and financial statements take time, experience and context to understand.
  - Review both large expenditures and non-standard expenditures with the committee BEFORE and AFTER the spending the money.
  - Share the bank statements with the key leaders and a few non-leaders who know finances and accounting.
    - Key leaders probably include your committee chair, unit leader (Cubmaster, Scoutmaster, Adviser, ...) and one or two assistant unit leaders.
    - One way to share is to save documents into an encrypted ZIP file. Then, share that ZIP file with the key leaders.
    - Another way to share is to bring print outs of the documents to the committee meetings. The challenge here is that people won't have enough time to understand details during the committee meeting.
    - Use on-line banking to download monthly bank statements in PDF format.
    - Bank statements that include images of every check written is very, very helpful.
  - Share financial summaries with the committee.
    - Bring print-outs of balance statements and profit-loss statements to the committee meetings
    - Walk the committee thru the financial statements ... line by line.
- Document standing decisions
  - Put them in the unit handbook, family guide or unit web site.
  - Dues - How much are they and when are they charged? What do you charge scouts joining at other times of the year?
  - Fundraisers - What is standard division of profits for a standard or annual fundraiser? What if, instead of buying product, someone donates cash / check? Neighbor? Grandparents? Other?
  - Refunds - What can be refunded? How much notice is needed?
  - Scout accounts - What can be purchased with them? What happens to them when the scout leaves?
  - Adults - Who is charged what? Is there a discount? Is the cost of gas reimbursed?

## Cash

- **Strongly prefer "checks" to "cash"** - Of course never turn away someone who is ready to pay in cash. Just prefer checks written to your scouting unit. Handling cash is the number one place where money is confused, lost or stolen. A disorganized person can easily confuse cash with their own money. A stressed person can easily borrow cash. Cash is an issue because cash can't be tracked. Checks require deposit and leave a trail.
- **Track cash** - As money is handed to you, record the cash in a ledger while the person is still standing with you. Give the person a receipt for the cash.
- **Never pay expenses directly from incoming cash** - Deposit everything. When ever possible, pay all expenses with checks. It's about transparency, discipline, organization, knowing what things cost and getting receipts (or at least something to document the expense). If a volunteer protests this, you don't want that person handling money anyway,
- **Don't keep petty cash on-hand** - Deposit everything. It's hard to track and rarely needed. Most scouting volunteers will float minor expenses for a few days. A better solution is to always reimburse volunteers ASAP. Reimburse the same day if possible!

## Checks

- All incoming checks should be **written to your scouting unit**. Never have incoming checks written directly to the volunteers.
- With every check, incoming or outgoing, **write in the comments** section a brief description of the purpose of the check. This is useful when reconciling records as most banks allow retrieving the image of the check.
- Deposit checks continually.
- The treasurer should never sign checks payable to anyone in their own family. Have another authorized, non-family member sign the check.
- BSA recommends two signatures on every check.
  - Though a very good recommendation, many units don't do this as it can slow reimbursements and make the treasurer's job harder.
  - If your unit doesn't do this, make sure your unit has good financial "transparency" (i.e. multiple people see the bank statements and other documents) and "traceability" (i.e. is there evidence on why money was spent and where incoming money went)

## Deposits

Example bank deposit done in Excel

- **Create a detailed deposit record** for reconciling records later. Record the date received, amount, scout, purpose and name on check if different than the scout family, very important for fundraisers.
- **Collect money continually** - Don't wait weeks or month for an activity, a camp or a fundraiser to be done. Ideally, at every troop and committee meeting, the treasurer should ask the scoutmaster, camping chair, fundraising chair and all others ... **"Got any checks for me?"**

- **Deposit money often** - A repeated problem in many units is holding checks for months and months. This affects families that don't have good control of their own finances. This makes it difficult to know the unit finances.

## Receipts

- **Keep receipts organized** - One way is to get a three ring binder with school paper. Tape them sequentially in as they arrive. Three hole punch large receipts.
- **Write on each receipt** the date it was paid, the name of the person being reimbursed, the check number used to pay it.
- **Make them write something down and sign it** if there is no receipt. For example, firewood purchased at a state park using an "honor box".

## Accounting

### Plan & budget

- Support annual planning and budgetting
  - Provide supporting information before the annual planning session.
  - Provide a balance statement
  - Provide a summary of past profit / loss balance statements to evaluate budging results.
  - Create an estimated budget based on past actual spending.

### Methodology

Example event summary for a shooting sports camp out.

- **Event based accounting** - Create an event summary for each event including camps, activities, bank deposits, courts of honor, equipment purchases and such. Review and finalize each summary with the troop committee. Once finalized, update scout accounts with the transactions as documented. Scout accounts could be documented in Excel or Quicken (not QuickBooks).
  - For **camps and activities**, reflect who, what, where and when. List scouts being billed and expenses for that event.
  - For **deposits**, list check # (or cash), amount, purpose, scout to credit, name on check (if different).
  - PRO
    - Simple. Easy to adopt. Easy to execute.
    - Each individual event summary is a useful document for review by the unit leaders and unit committee.
    - Can be used to "close out" and finalize events.
  - CON
    - Does not follow basic accounting principles.
    - "For an skilled accountant", this is more work.

- **Double entry accounting** - This method is accepted world-wide as a standard for all accounting has every entry represented by two off-setting entries (a credit and a debit). If your troop has the skills and tools can manage this, it is a very good choice.
  - - PRO
      - Follows generally accepted accounting principles
      - Reflects a professional approach
    - CON
      - Hard to hand off to the next volunteer
      - If data gets screwed up, all data is in question.
      - Requires significant accounting expertise and skill. If you don't have accounting expertise, this may be a bad method to adopt.
      - Requires a software application like QuickBooks or TroopLedger.
      - Requires setting up a chart of accounts and knowing which are assets and which are liabilities ("credit" vs "debit" accounts).
      - Does not create an event summary that can be used for review.
      - Need to still declare when events are done and publish some type of cost accounting summary.

## Auditing

- Close and audit the books every year.
  - Choose the financial year. Some use July 1st through June 30th. Choose dates that makes sense for your unit.
  - At the end of the financial year, make one last call expenses and receipts.
  - Reconcile and close issues. Don't let financial problems bleed from one year to the next.
  - Pay all outstanding bills. Of course if someone has a late expense submitted after the final financial statements are published, still reimburse them. Just record it in the next year financial year.
  - Produce a profit / loss statement.
  - Produce a balance statement showing scout accounts, receivables and payables
  - Publish and review with the troop committee
- Close and review events when their done
  - At the end, call one last time for expenses and receipts
  - Reconcile and close out issues. Don't let financial issues bleed from one event to the next.
  - Pay all outstanding expenses.
  - Produce a profit / loss statement
  - Publish and review with the troop committee