


ATPE Financial Standards

Approved by the ATPE Board of Directors May 2019

For Chartered ATPE Local Units

ATPE's Board of Directors, as authorized by the ATPE House of Delegates, has adopted a set of charter standards that defines the relationships between the state entity (ATPE) and its chartered entities (local units and regions). The charter standards, known as the State-Local Unit Charter Agreement, outline the expectations and requirements for all parties and specifically address the operational and financial obligations an ATPE entity must agree to follow as a condition of affiliation.

This Local Unit Financial Standards document is an ancillary document to the ATPE State-Local Unit Charter Agreement as approved by the ATPE Board. The financial standards listed below apply to all chartered and active ATPE local units as a condition of maintaining said charter as outlined in the ATPE State-Local Unit Charter Agreement. Standards based on IRS requirements are designated **(IRS)** and marked with a red arrow. 

Each financial standard listed includes a short explanation of the standard.

- a) **Each chartered ATPE local unit must maintain a bank account established in the local unit's name. The account must include a minimum of two signatories, and the signatories cannot be related parties, either by blood or by law (e.g., husband/wife, brother/sister, parent/child). Each check should contain two signatures unless the banking institution's policies do not support this practice (and the policy is documented in writing).**

***Explanation:** Proper financial oversight for a local unit includes maintaining an account in the local unit's name with a reputable financial institution, such as a bank or credit union. In no instance should a local unit or region maintain a banking account in a member's name. Additionally, requiring two signatures—with the signatories not related by blood or marriage—on all checks or other financial documents is a strong checks-and-balances protocol that will help to ensure that at least two sets of eyes are reviewing every local unit expenditure. This high level of oversight is what our members expect when they agree to trust us with their dues dollars.*

- b) **A treasurer's report (financial recap) must be made available to all local unit members annually.**


***Explanation:** Local unit members must have access to an annual accounting of their local unit dues dollars from the local unit. For clarification, "made available" does not mean the local unit must send the treasurer's report to its members. Instead, "made available" can mean that the local unit posts the report on its website, provides the report to members at a local unit meeting, or makes the report available upon request. Members who are denied access may request assistance from the state office.*

- c) **An annual budget must be completed and approved by the local unit executive committee prior to the start of each fiscal year. The adopted budget must be made available to all local unit members annually.**


***Explanation:** A local unit must enter a fiscal year with a budget plan for how the local unit intends to allocate its funds. The budget must be prepared and approved by the local unit's executive committee. The budget should be specific enough to show how the local unit's leaders intend to manage the local unit's finances in the upcoming fiscal year but should also allow for alterations should something arise that requires the budget to be amended. For clarification, "made available" does not mean the local unit must send the budget to its members. Instead, "made available" means that the local unit could post the budget on its website, provide the budget to members at a local unit meeting, or make the budget available upon request. Members who are denied access to the budget may request assistance from the state office.*

- d) **All local unit expenses must be supported by a receipt signed and dated by the submitter, along with a description of the purpose of the expenses. (IRS)** 

***Explanation:** Local unit leaders and members may incur a variety of expenses in their roles as ATPE volunteers. These expenses may include meeting costs, printing costs, and travel costs to attend ATPE functions. Any expense incurred on behalf of a local unit must be supported by a receipt and an explanation for the expense or the expense will not be reimbursed.*

- e) **In order for a member to receive an expense/travel reimbursement, the expense/travel reimbursement must be supported by a completed expense report signed by the member. An expense reimbursement submitted by a local unit officer must be approved by another local unit officer. (IRS)** 

***Explanation:** For many local units, the biggest expense incurred during a particular fiscal year may be the cost of sending members to state or region meetings. Any reimbursement provided for those expenses, whether provided as an advance before the event or as a reimbursement after the event, must be supported with proper receipts. And following the "two sets of eyes" standard, any officer who receives an expense reimbursement must have that reimbursement reviewed and approved by another officer, and all activities related to expense reimbursement should be properly documented by the local unit. Any expenses not supported by receipts will not be reimbursed.*

- f) **In order for a member to receive an expense/travel advance, the advance must be approved by a local unit officer. Further, an expense report must be prepared at the completion of the event requiring the travel/expense. An expense reimbursement submitted by a local unit officer must be approved by another local unit officer. Any unused portion of the advance must be returned to the local unit. (IRS)** 

***Explanation:** Many local units provide members with a travel advance to attend a state, region, or local unit function. This practice is acceptable, but only if the advance is supported by receipts that outline the expenses actually incurred by the member. If the expense receipts that are submitted total less than the advance provided, the member must refund the difference back to the local unit. Any expense advance must be*

approved by at least one local unit officer, and the expense report submitted must be reviewed and approved by an officer other than the person who received the advance. The expense/travel advance must be repaid to the local unit for any expenses not supported with receipts.

- g) All local units must submit to the state office an annual treasurer's report and a letter signed by the local unit officers indicating the compliance with charter and financial standards by November 30.**

***Explanation:** Each local unit must submit an annual treasurer's report, along with supporting documentation, to the state office no later than November 30 each year. The annual treasurer's report should then be made available to the local unit's members, which facilitates transparency and informs the local unit's members of how their dues dollars are being spent by their local leaders. Per board directive, beginning with the 2016–17 fiscal year, any local unit that does not submit a treasurer's report to the state association will have its full rebate withheld until a report is submitted. If the local unit still has not filed the treasurer's report by July 31, the full rebate will be forfeited.*

- h) Allow for a financial review by association employees or ATPE region officers at any time, with 30-day notice being provided to the local unit.**

***Explanation:** It is the obligation of the state association to ensure that all local units act responsibly and with transparency when allocating and accounting for local unit funds. Occasionally, a situation may arise that requires the state to take a closer look at a local unit's financial records to conduct a financial review. When these situations do arise, a local unit will be given adequate notice of the request for a financial review, and the state association will work closely with the local unit leadership to identify issues or improvements that can be implemented to address any issues that may be identified through the financial review.*

Additional Recommended Best Practices

Bank Reconciliations

Bank account reconciliations should be performed, at a minimum, on a quarterly basis. Reconciliations should be performed by a local unit officer/member who is not a signatory on the local unit's bank account and who is not authorized by the local unit to use a debit, credit, or ATM card. The bank statement should be delivered to the reconciler unopened, or online access should be provided to the account for the reconciler. The completed reconciliation, along with the applicable bank statement, should be reviewed by two officers on, at a minimum, on a quarterly basis.

***Explanation:** Another strong protocol designed to ensure proper financial reporting is requiring periodic reconciliations of bank account records. If done properly and timely, a quarterly bank reconciliation is a relatively simple task that involves accounting for all funds received by the local unit (revenue) and spent by the local unit (disbursements) within a three-month timeframe. Local units that complete a quarterly bank reconciliation also will find that preparing an annual treasurer's report will be much easier if the quarterly reconciliations have been completed. Additionally, local units should embrace the "second set of eyes" concept that allows for an officer other than the individual who prepared the report to review and approve the report, along with all supporting documentation, prior to the report being presented to the members or to the state association.*

Treasurer's Report

A treasurer's report (financial recap) should be completed by the local unit treasurer, at a minimum, on a quarterly basis. The report should be circulated to all local unit officers, and the local unit president should execute a statement of review once completed.

***Explanation:** Once completed, a local unit's quarterly bank reconciliation can easily be translated into a quarterly treasurer's report that lists the revenue, disbursements, and fund balances of the local unit for that quarter. Allowing all local unit officers to review the quarterly reconciliation will help keep the group informed of the local unit's financial status, as will requiring the local unit president to execute a statement of review.*