THE HONOR SOCIETY OF
PHI KAPPA PHI

FINANCIAL CONTROLS & BEST PRACTICES

1. The chapter should use an established accounting system, such as QuickBooks, to track cash and investment balances and activity throughout the year. Financial history is important to the chapter's ongoing health.

2. Segregation of Duties
   a. No single individual should be responsible for writing, signing checks or vouchers, receiving, recording, securing, and depositing cash and other receipts. These functions should be assigned to different individuals to ensure checks and balances.

3. Safeguarding of Assets:
   a. Checks, bank account numbers, passwords, petty cash, credit cards, and credit card numbers should be secured.
   b. All transactions should be processed exclusively through a bank account in the chapter's name. There should be no transactions processed through a bank account in an individual's name that is associated with the chapter.
   c. Bank statements should be reconciled every month. The statement should be reviewed by a member of the executive committee who is not performing the reconciliation.

4. Cash Payments
   a. Expenditures over $500 should require an additional signature on the check.
   b. Receipts, invoices, or other supporting documentation should be retained on file for all cash payments exceeding $25.
   c. Checks should be prepared and recorded in the chapter's accounting software.

5. Cash Receipts
   a. Chapter dues checks should be deposited at the bank no later than 3 business days after they are received.
   b. Cash should be deposited at the bank, and initiation fees should be remitted to the national office no later than 3 business days after the chapter's enrollment deadline.

6. Annual Reporting
   a. The Chapter Finance Report should be completed and submitted to the national office annually no later than August 31.
   b. The chapter should file Form 990, 990EZ, or 990N (depending on the level of cash receipts) by the November 15th filing deadline each year.
   c. The chapter should engage a separate individual (not a current chapter officer) who does not perform any of the approval, custody, or recording functions listed above to perform the procedures described in the Agreed Upon Accounting Procedures Program Guide annually. Examples include a university administration employee, accounting department interns, accounting department graduate assistants, or an outside accounting firm (as affordable). The guide can be found in the Chapter Toolkit.

Questions?

Contact finance@phikappaphi.org