

SECTION TREASURER ORIENTATION

Rhonda Bridges, Sections Accounting Manager



Agenda

1. Treasurer's Duties
2. State Bar's Assistance to Sections
3. Budgets
4. Expenses
5. Revenues
7. Investments
8. Banking
9. Uncleared Checks
10. Credit Card Security

Treasurer Responsibilities

Action Items

Ensure	Ensure sound financial controls are in place over Section finances
Oversee	When applicable, oversee the bookkeeper including:
Ensure	Ensure payment of only approved bills
Ensure	Ensure timely and complete collection of revenue
Review	Review reconciliation of bank and investment accounts
Ensure	Ensure sales tax is collected and forwarded for payment
Ensure	Ensure financial reports provided to SBOT in a timely manner

Treasurer Responsibilities - continued

Submit the approved 2022-2023 budget by July 15th

Review and pay all Section expenses in a timely manner

Review financial reports and monitor variances from budget

Ensure compliance of investments with Public Funds Investment Act

Manage access to bank accounts and update signors

Present financial reports and financial position to Section Council

Other duties as described in the Treasurer Guide and individual Section by-laws

Monthly Reports & Records Due to State Bar

For Sections with an external bookkeeper:

- Check/deposit registers
- Bank reconciliations, including statements
- Images of checks should be included with bank statements
- Sales revenue report & sales tax payment
- IRS Form W-9s
- Provide Section-created financial reports to SBOT (see section 5.01.05 (F) in the Board Policy Manual)

For Sections with State Bar as bookkeeper:

- Timely submission of invoices and revenues
- Timely expenditure review and approval
- IRS Form W-9s

Monthly Financial Packet from SBOT

- The State Bar's Accounting Department will prepare monthly financial reports for all Sections containing the following:
 - Statement of Revenues & Expenditures
 - Balance Sheet
 - Bank Reconciliation(s)
 - Detailed Trial Balance
 - Detail of expenses paid by SBOT on behalf of the Section
 - For Sections who do not use SBOT services, these reports will be provided by the following month-end. This is done to help us find variances and/or errors as soon as they occur.

State Bar Assistance to Sections

Payment and Deposit processing

Assistance with budget preparation

Financial records filing and retention

Monthly bank and investment account reconciliation

Monthly financial reporting

Sales tax calculation and payment

Annual report to IRS of form 1099 contract labor payments

Strong internal control structure over financial transactions

Assistance with unclaimed property

Budgets

- Establish a plan on completing the budget
 - Outgoing officers should prepare the budget in coordination with incoming Treasurer
- State Bar provides budget worksheets in March/April
 - New and improved budget worksheets provided this year
 - Budgets and Accounts can be customized to meet Section needs
 - Large variances from the prior year should be addressed in the new budget
- **Budgets are due to the State Bar on or before July 15th of each year or after first council meeting**

Budgeting for Expenses

Expenses are recorded when the goods are received, or the services are rendered. This is called “modified accrual” method of accounting.

Expenses are **NOT** recorded when:

- The check was cut
- The invoice was received
- The contract was signed
- The period the expense was budgeted
- The date the check cleared the bank

Revenues

- Dues Revenue
 - Most Section dues are collected by the State Bar and transferred to Sections quarterly
 - Dues payments collected by individual Sections are deposited directly to the Section's bank account
 - Dues payments collected between March 1 and May 31 are recorded as unearned or deferred revenue.
- Other revenues include event registrations, sponsorships, contributions, royalties and investment income

Reimbursement & Payment Requests

- Customized reimbursement forms
- Consider developing reimbursement guidelines
- Mileage reimbursement rate changes every January
- \$.625 per mile, effective 7/1/22
- Receipts should be submitted with reimbursement requests
- Please process in a timely manner
- **Business expenses are subject to open records requests**

Investments

Section funds must be invested consistent with the investment policy as set forth in Section 3.05 of the State Bar Policy Manual.

Investments must comply with the Public Funds Investment Act (Texas Govt. Code 2256)

Unclaimed Property



Outstanding checks older than 60 days should be researched



Unclaimed funds should be reported annually to the Comptroller



If your Section writes its own checks, please let SBOT know if you void and reissue a check



Remember, checks cannot be simply voided

Financial Statement and Internal Control Audits are performed annually at the State Bar

Sections are always included in financial and internal control audits

Every 4-5 years, Sections will be a primary focus of the internal audit

Copies of the financial policy and internal controls guidance are included in the Treasurer's Guide

Audit

Credit Card Security

Card numbers should NEVER be emailed or faxed

Documents containing sensitive information (paper or electronic), must be redacted or destroyed

Use strong, unique passwords and change them regularly

Limit access to computers and payment collection websites

Keep software up-to-date

Adobe software offers a redaction option in their professional version

Top Internal Controls

- No one person should oversee every step of a transaction
- No one should be writing checks to themselves without additional approval/oversight or a second signature
- Bank reconciliations, bank statements, accounting ledgers and financial statements should be reviewed on a regular basis
- Retain all documentation, such as invoices, approvals, reviewed reports, etc.
- Develop policies covering internal control as it relates to your section
- Retain credit card information in a PCI approved manner

Accounting Department Contacts

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Questions?