

Introduction to Section Accounting

Kokila Mannan Shanmuga Sundaram,
Sections Accounting Manager



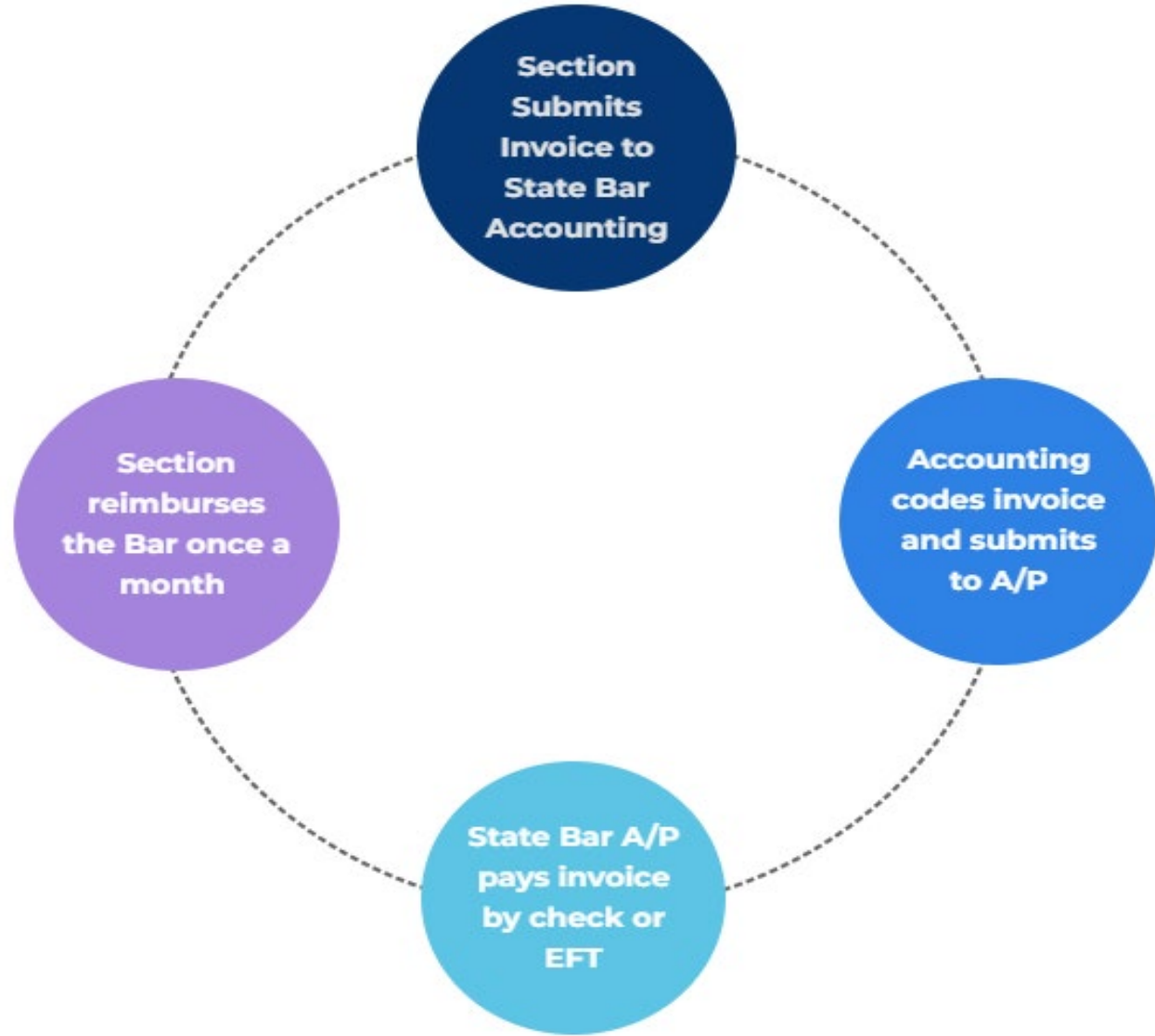
What does a Treasurer Do?

1. Approve and submit invoices and reimbursements for processing to Accounting
2. Forward checks or revenue received to Accounting for processing
3. Ensure sound financial controls are in place over Section finances by:
4. Reviewing the financial statements and trial balance provided by Accounting
5. Review reconciliation of bank and investment accounts
6. Ensure financial reports provided to SBOT in a timely manner, when applicable

Invoice and Reimbursement Approval and Submission

1. Invoices received from the purchases of goods and services can be submitted to your section accountant upon treasurer approval.
2. Please add the Section Fund code to the subject line on any email correspondence to the section accountant , for ex. Administrative would be “A0”
3. Invoices will be paid by the State Bar within two weeks of submission, unless unforeseen staffing issues occur.
4. The State Bar does not pay sales tax, so please request that sales tax be removed if being charged on an invoice.
5. Hotel contracts and other contracts should be submitted through Lyndsay’s team well in advance.
6. Section-specific reimbursement forms are available to each section.
7. All reimbursement forms should be signed by the recipient, supported with receipts, and approved according to Section policy.
8. New reimbursement forms provided in January with updated mileage.

Payment Cycle of Invoices



Revenue Collections

- **Section Dues Revenue** – collected by the State Bar, reconciled, then transferred quarterly to the Section.
- **Investment Income**
- **Event Revenue** – a report regarding registrants is needed to record revenue

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

Understanding Budgeting, Financial Statements, and Treasurer Best Practices

Myo Tin, Controller
Tracy Jarratt, CFO



Budgeting

- State Bar provides budget worksheets in April for the upcoming fiscal year (June 2024 – May 2025)
 - Budgets and Accounts can be customized to meet Section needs
 - Large variances from the prior year should be considered in the new budget
- **Budgets are due to the State Bar on or before July 15th of each year or after first council meeting**
- Establish a plan on completing the budget
 - Outgoing officers should consider preparing the budget in coordination with incoming Treasurer
- Budgeting is an estimate or guess, and the figures can be modified with council's approval

Monthly Reports & Records Due to State Bar

For Sections with State Bar as bookkeeper:

- Timely submission of invoices and revenues
- Timely expenditure review and approval
- Provide Section-created financial reports to SBOT (see section 5.01.05 (F) in the Board Policy Manual)

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

Budgeting for Expenses

Expenses are recorded and budgeted for 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 period the expense was budgeted
- The date the check cleared the bank

This is important so the Bar’s financials use one method of accounting.

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

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graph TD; A[Financial Statement and Internal Control Audits are performed annually at the State Bar] --> B[Sections are always included in annual financial report audits]; B --> C[Every 5 - 10 years, Sections will be a primary focus of the internal audit]; C --> D[Copies of the financial policy and internal controls guidance are included in the Treasurer's Guide];
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Sections are always included in annual financial report audits

Every 5 - 10 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

Audits

Treasurer Best Practices

Submit the approved 2024-2025 budget by July 15th

Review and pay all Section expenses in a timely manner

Review financial reports and monitor variances from budget

Ensure deposits are collateralized

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

Accounting Department Contacts

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Questions?