

Workshop Notes on Council Responsibilities

Regional Fraternity of Eastern Canada
2013 Atlantic Area Conference
Truro, NS



November 16, 2013

Introduction

The purpose of the workshops was to help Council members and other fraternity members understand how they might better fulfill each position. Our ***Local Fraternity Council Handbook*** has information identifying the responsibilities of each Council position, but there is little information to help Council deal with the variety of issues that can arise in a local fraternity. The Rule and GC gives some hints on how to approach Council responsibilities, but we could all use more details for each position. Things like how to animate, engaging others, dealing with problems; how to be an efficient recorder of minutes, yet be a contributor in Council meetings; controlling unbalanced group dynamics in a formation meeting; engaging the quiet ones, minimizing dominating tendencies of others and so on.

The workshops include:

- Minister/Vice Minister,
- On-going Formation,
- Secretary
- Treasurer positions.

(The Treasurer Workshop was somewhat different as it was more instructional in nature.)

We hope that these *Workshop Notes* will help you better understand each role and leave you with some tools to draw upon. The more we understand human dynamics and better equipped to stave off potential problems the healthier our fraternities should be.

We would like to thank the leaders for each of these workshops for their preparation work and the follow-up documentation of ideas collected. The workshop leaders are named at the beginning of each section. It is the intention to have this document added as an appendix to the Local Fraternity Council Handbook on ***Franciscan Focus***, Regional website.

Peace and joy!

George Guimond
Atlantic Area Vice Minister

Minister/Vice Minister Workshop

Marion Clorey, ofs and Farris MacPherson, ofs

Jesus' supreme humility

Scripture: *John 13:1-17*

1 Now before the feast of the Passover, when Jesus knew that his hour had come to depart out of this world to the Father, having loved his own who were in the world, he loved them to the end. 2 And during supper, when the devil had already put it into the heart of Judas Iscariot, Simon's son, to betray him, 3 Jesus, knowing that the Father had given all things into his hands, and that he had come from God and was going to God, 4 rose from supper, laid aside his garments, and girded himself with a towel. 5 Then he poured water into a basin, and began to wash the disciples' feet, and to wipe them with the towel with which he was girded. 6 He came to Simon Peter; and Peter said to him, "Lord, do you wash my feet?" 7 Jesus answered him, "What I am doing you do not know now, but afterward you will understand." 8 Peter said to him, "You shall never wash my feet." Jesus answered him, "If I do not wash you, you have no part in me." 9 Simon Peter said to him, "Lord, not my feet only but also my hands and my head!" 10 Jesus said to him, "He who has bathed does not need to wash, except for his feet, but he is clean all over; and you are clean, but not every one of you." 11 For he knew who was to betray him; that was why he said, "You are not all clean." 12 When he had washed their feet, and taken his garments, and resumed his place, he said to them, "Do you know what I have done to you? 13 You call me Teacher and Lord; and you are right, for so I am. 14 If I then, your Lord and Teacher, have washed your feet, you also ought to wash one another's feet. 15 For I have given you an example, that you also should do as I have done to you. 16 Truly, truly, I say to you, a servant is not greater than his master; nor is he who is sent greater than he who sent him. 17 If you know these things, blessed are you if you do them."

Meditation and sharing. Jesus shows us to lead by example as ministers.

The Minister in the Listening Role Having “Dumbo” Ears!

Key Concepts on being a Minister From the Rule and General Constitutions

What is the role?

What does it mean?

“To animate and guide”

How do we carry out the Role?

What does it mean?

“to collaborate”

What is the role?

Rule 21 *On various levels, each fraternity is **animated and guided** by a council and minister (or president) who are elected by the professed according to the constitutions.*

Implies: regular meeting of the council:

- To pray and reflect together
- To evaluate past activities
- To discern formation, new members, apostolic activities etc.
- To plan for future events

GC Article 51:1: *While firmly upholding the co-responsibility of the council to animate and guide the fraternity, **the minister, as the primary person responsible for the fraternity, is expected to make sure that the directions and the decisions of the council are put into practice and will keep the council informed about what he or she is doing.***

Implies:

- Minister and council makes decisions
- Minister insures decisions are carried out

How do we carry out the Role?

Collaboration between: Minister and Council

GC Article 31:

3. The leaders of the SFO at every level should be open to dialogue, and ready to give and receive help and **collaboration**.

4. ...should see to it that the decisions made are carried out and they should promote **collaboration among the brothers and sisters**

GC Article 53. *Rule 24* The fraternity must offer to its members opportunities for coming together and collaborating through meetings to be held with as great a frequency as allowed by the situation and, with the involvement of all its members. ***i.e. engaging each and every member (team approach).***

GC Article 28:2. *Rule 20* "The SFO is divided into fraternities of various levels", the purpose being to promote, in an orderly form, the union and mutual collaboration among the brothers and sisters and their active and communal presence in both the local and the universal Church.

Collaboration between: Fraternities & community *i.e. involvement in the Church and with other people of good will*

Collaboration between: Minister and Vice-Minister

GC 52:1 The vice-minister has the following duties:

- a) to collaborate in a fraternal spirit and to support the minister in carrying out his or her specific duties;
- b) to exercise the functions entrusted by the council and/or by the assembly or chapter;
- c) to take the place of the minister in both duties and responsibilities in case of absence or temporary impediment;
- d) to assume the functions of the minister when the office remains vacant.

Provides opportunities for a more active vice-minister role.

-2 heads are better than one!

-good leadership model to prepare for future

GC 51:2 The Role of the Minister

The minister also has the following duties:

- a) to call, to preside at, and to direct the meetings of the fraternity and council; to convoke every three years the elective chapter of the fraternity, having heard the council on the formalities of the convocation;
- b) to prepare the annual report to be sent to the council of the higher level after it has been approved by the council of the fraternity;

- c) to represent the fraternity in all its relations with ecclesiastical and civil authorities. When the fraternity acquires a juridical personality in the civil order, the minister becomes, when possible, its legal representative;
- d) to request, with the consent of the council, the pastoral and fraternal visits, at least once every three years.
- e) to put into effect those acts which the Constitutions refer to his or her competence.

Presiding at the fraternity meeting

Conducting the regular monthly meeting

Jumping off questions for discussion:

What struck you during the presentation?

What are your successes as a Minister/Vice-Minister?

What are your challenges as a Minister/Vice-Minister?

What are questions/concerns you have about either role?

Discussion notes:

1. *The minister should meet with each member to see how their Franciscan journey is going. Are we nourishing them? Is there fear? Dialogue with them.*
2. *Meetings should be a slowing down, going to the cave....*
4. *Fraternity must be a loving, sharing and caring place to each other.*
5. *Read and share "Admonitions" - in 30 sec.*
6. *Have a prayer book at fraternity, Angelus, pledge, and music*
7. *Try to engage each and every member (ie. team approach)*

Unique challenge for some where councils are larger than the fraternity. Make sure that non-members are informed.

Councils still need to meet even in small fraternities.

Recruitment and Retention: We must understand the call to be Secular Franciscan is first a Vocation. This needs to be emphasised in formation.

People leaving early from meetings: Look at timing for the meeting dialogue with each member. The social time is important. Be a family.

Formation: How long? Varies but make sure you have time for each other.

Don't get too routine - think outside the box. Engage in different activities...more creativity into formation.

Sharing our giftedness. Using creativity in the meeting (may be hard for members to sit for 2 hours.) Using more music. Addressing different learning styles.

Minister and Vice Minister working together creates a caring environment. The fraternity is a family and like families we need to deal with our issues,

In dealing with issues we need to look at all sides. Sometimes the process takes time/prayer/discernment and dialogue

Be happy it is attractive to others

On Going Formation Workshop

Debbie Richard and Mary Hagen

Our discussion centered mainly on resources for on-going formation and the importance of forming relationships with each other as we support each member's growth in Franciscan spirituality as no program can produce a fully formed Secular Franciscan. Besides excellent sources for development such as CIOFS.org and the National Dossier there are authors such as Lester Bach (Pick More Daisies). Fraternities should look outside their fraternities for people who can come in and speak about community issues related to JPIC. Suggestions were speakers on health care, indigenous peoples, addiction counselors, Food bank volunteers, national and international representatives etc.

Primary Objective —Begun by the preceding stages, the formation of the brothers and sisters takes place in a permanent and continuous way. It should be understood as an aid in the conversion of each and every one and in the fulfillment of their proper mission in the Church and in society (General Constitutions, article 44.1).

Ongoing formation is designed to support and strengthen the commitment made at Profession to live according to the Rule for the rest of our lives. Ongoing formation is manifested by continual conversion.

Characteristics of a Formator

- **Applies personally** what is learned and passes it on to others
- **Dialogues and shares** rather than lectures
- Is emotionally **honest and aware of personal limitations**
- **Takes responsibility** for personal actions and choices
- **Accepts others** wherever they are on the spiritual journey
- Attempts to **understand** the meaning **behind the words** others say
- Stretches beyond one's comfort zone
- **Admits failures and apologize for mistakes**
- Listens to others **without interrupting**
- Understands that growth is possible but **perfection belongs to God**

Planning your Sessions

The following slides contain some suggestions for getting ready for and conducting your fraternity's formation session. The better prepared you are the more success you will have with your presentations and the more your fraternity members will appreciate you in your role as formation director.

1. Before you schedule a formation session, gather all your materials and decide what you already know. If you need more information, research the topic or discuss it with someone you consider knowledgeable.

Later on we will discuss the materials to be used for on-going formation. They are numerous and varied.

2. Determine your goals and objectives for the formation session and repeat them often and in various ways throughout the session.

For example:

Goal – to explore the evangelical virtue of humility in the life of St. Francis

Objective – that the fraternity members will learn how to grow in this virtue and be inspired to do so.

3. **Be observant:** Observe your participants carefully to determine if your material is being understood. It takes constant attention and awareness. You may have to change your presentation. However, all that matters is that the participants understand the material.
4. **Consider group background:** Consider differences in age, educational level, and knowledge of the topic before planning a formation session.

This step should remain always in the back of your mind with every session as you select your materials.

5. **Be clear:** Arrange and outline your points clearly and systematically so that the main ideas and supporting material relate to your objective.

There is nothing worse than a presentation that roams around all over the place and never really gets to the point.

Transmitting ideas and information to a group with varying levels of knowledge

Nothing replaces the excitement and satisfaction of finding one's own answers to questions. A gifted formator provides general guidance and then allows those being formed the joy of personal insights and knowledge.

Holy Spirit's Role

We have heard many times that the principal agent of formation is the Holy Spirit, and the candidate bears the primary responsibility for his or her formation. However, when we assume the ministry of formation, we may forget that this basic union of Holy Spirit and person is sacred. It is the foundation upon which the formation process rests.

We assist the Holy Spirit

- The rest of us simply assist the Holy Spirit in the formation process.
- It is better to think of a formator as a facilitator rather than a teacher. Skilled facilitators help others learn at their own level and thus build self-confidence. The learner becomes less dependent on the formator, more confident, and more self-sufficient.

Dialogue is Listening and Speaking

- **DIALOGUE IS MORE IMPORTANT THAN LECTURE**
- **SHARING IS MORE IMPORTANT THAN DISCUSSION.**
- **DIALOGUE REFERS TO BOTH LISTENING AND SPEAKING.**
 - The role of a formator is **not simply to pour information** into people's heads.
 - A formator must educate and help the candidates to **think for themselves.**

Sharing is different from discussing in that sharing involves the **individual's personal experiences** and discussing may simply engage the mind without opening up one's heart.

Rephrase a question with a question

Formators who view themselves as teachers often give their opinions to questions too quickly. This weakens the candidate's confidence and ability to think for himself. Sometimes it is better to answer a question with another question, especially when it is a matter of opinion. Rephrase the question and ask the person to search for his own answer. The person will respond from his level of understanding.

Adult Formation Characteristics

1. Adults are made up of their experiences
2. Adults use their experiences in evaluating life and in making decisions for future commitments. Adults are involved in a lifelong search for their identity in God and in the Secular Franciscan Order
3. Adults expect to be comfortable in the formation setting
4. Adults want clear goals
5. Adults respond to positive and respectful relationships that enhance the formation process
6. Adults expect their individual strengths and weaknesses to be taken into consideration
7. Adults have different learning and communicating styles
8. Adults are teachers at the same time they are students

Can anyone add to this list?

Use Varied Resources

A way to meet the needs of a group with varying levels of knowledge is to use varied resources such as guest speakers, audio and video tapes, handouts, articles on the subject matter, and activities that allow the individuals to apply what they are learning and experiencing. This allows the individual to grow at her own rate.

Gospel living is an attitude and a commitment

Gospel living is not simply knowledge, but an attitude and a commitment. In essence, ongoing formation is ongoing conversion, and the objective is growing into the image and likeness of God.

Conclusion

- Always remember that formation is an absolute necessity for knowing and living the Secular Franciscan life.
- Knowing is not enough without living and living is not enough without knowing.
- We do not remain static in the spiritual life. That is, if we are not going forward we are going backward.

Questions for Discussion

1. What programs seem to produce the best results for:
 - a) initial formation
 - b) on-going formation
2. How do we determine the areas that we need to concentrate on for formation in our fraternities?
3. What are some good external sources including speakers?
4. How do you (those attending the workshops) encourage discussion – how can we do better?
5. What are ways to encourage formation outside regular meetings – e.g., more than once a month?
6. General comments: did we meet your expectations?

Secretary Workshop: Taking Minutes

Leonard MacGuigan and Jim Fenwick

1. Start by noting that the minister opens the meeting with the opening prayer for Council meetings following the format from the Ritual book and welcomes all members present.
2. List the Council members present
3. List those sending regrets.
4. We do a scripture reading with time for personal reflection and sharing before the general meeting begins. Who does the reading and noting the particular scripture passage are entered in the minutes.
5. A copy of the minutes for the latest Fraternity/Council meetings are typed and given to all Council members and the minutes are read and discussed. The discussions that may take place following the reading of the minutes are not necessarily noted in the minutes unless there is an item of importance that may be put off for future discussion at a Council meeting.
6. Have a copy and go over the agenda for the meeting prepared by the Minister who requests any additional items other Council members may wish to bring forward for discussion. The agenda is not listed in the minutes
7. Once this is completed we have reports from all Council members, starting with the Minister, followed by:
 - Vice- Minister
 - Formation Director
 - Treasurer
 - Secretary

One very important factor to note: At each Council meeting I request that the Minister - Formation Director and Treasurer submit a copy of their report to me to be included in the Council minutes. They always accommodate me with this request.

This, for me, is very important as I believe as a Council member, it is my responsibility to be part of all discussions and decisions that will take place throughout the meeting. My time cannot be wasted in trying to write down all the important information these respective members may have to bring to the meeting. My attention needs to be directed to what is being discussed and to offer my views and opinion and decision on particular topics as is expected from all Council members.

8. Aside from the reports submitted, some very important business of the Fraternity may be brought forward and all must be noted in the minutes. Some items may be set aside for future discussion and these must be entered in the minutes.
9. Following the scheduled items for the meeting, time is given for an opportunity to discuss any other business a member might bring forward. This will be recorded in the minutes.
10. Our Fraternity is large enough for us to have our members divided into separate Teams to address certain areas of interest to our Fraternity, If a report is submitted from any

individual Team, the report will be entered into the minutes. Usually the only regular report I receive will usually be from the JPIC Team. The Teams we have are:

- JPIC
- Hospitality/Social Activities
- Outreach
- Youth
- Library
- Prayer

The minutes are completed by noting the date, time and place of the next month Council meeting. Having a template on hand can help capture this information.

Fraternity Minutes

The Fraternity minutes are not quite so complicated or listed in great detail. The format I use is the same each month, namely:

- 1) Naming the opening hymn for the meeting.
- 2) Noting that the meeting opens with the Minister (or her substitute if necessary) reading the opening prayer for the meeting and welcoming all (especially guests if any) to the meeting.
- 3) Listing those not present at the meeting who send their regrets.
- 4) Scripture reading takes place so the passage and reader are noted in the minutes.
- 5) On-going formation takes place, the topic for the evening presentation and the individual(s) presenting will be noted. Only a brief summary of the presentation will be entered into the minutes so that I may be free to participate in listening and learning from the teaching.
- 6) Business part of the meeting takes place and all business presented by the minister (i.e.: upcoming events, communications etc...) are entered in the minutes.
- 7) Reports from any of the teams are also noted along with a possible report from the Formation Director and/or Treasurer also entered.
- 8) JPIC Team always does a short teaching presentation. A brief summary is noted in the minutes.
- 9) Appreciations are sometimes expressed by members for various reasons and noted in the minutes if appropriate.
- 10) Closing hymn is noted

Additional notes:

- 1) Be sure to have "motions", to move a request etc. and resulting action with names, (for all important items – i.e.: financial issues), entered into the minutes.
- 2) Remember that the secretary is also a member of the council and therefore should be free from trying to capture every detail said for the minutes, but rather participate in the discussions, decisions etc. that are the responsibility of ALL Council members.
- 3) On agenda have the item, "unfinished Business".

Treasurer Responsibilities Workshop

Sherrill Guimond and Leonarda MacNeil

According to our General Constitutions:

Article 52.4: The treasurer, or bursar, has the following duties:

- a. to guard diligently the contributions received, recording each receipt in the appropriate register, with the date on which it was given, the name of the contributor, or the one from whom it was collected;
- b. to record in the same register the items of expense, specifying the date and the purpose, in conformity with the directions of the fraternity council;
- c. to render an account of his or her administration to the assembly and to the council of the fraternity according to the norms of the national statutes.

Article 54.3: The national statutes must also set up precise criteria for local fraternities that possess or administer property or real estate, so that the respective council, before its term of office is finished, has the fraternity's financial and real estate situation audited either by an expert (Note: expert would be a person with an accounting designation or equivalency) who is not a member of the council or by the fraternity's board of examiners.

According to Revenue Canada Agency (RCA):

With our Annual Information Return, we are to provide Financial Statements which are to be certified. Given our level of Income, it does not have to be audited by a professional auditor.

Currently, The Regional Fraternity books and the Heritage Fund books are audited, but we believe few local fraternities are actually having their books audited. In order for our financial statement to be certified, fraternities should be audited, to ensure we are meeting CRA requirements.

- Since it's not possible for Regional to visit and audit each fraternity's books, we are asking that a knowledgeable person (not a member on Council) audit your books and sign the Annual Financial Report submitted to the Regional Treasurer each year. The Local Treasurer would also sign this statement before it is sent to Regional Treasurer.
- We ask that a copy of your year-end bank statement be included with your annual financial report listing outstanding deposits and outstanding cheques.
- We request that the third copy of the Tax Receipts (*with a clear photocopy of the completed top copy*) be sent back to the Regional treasurer, as it is a requirement that

we have on record the number of the receipt, the person who received it, and the amount.

- Fraternities should also keep a clear photocopy of Tax Receipts they issue. Fraternities should be willing to provide an itemized list, photocopies, or scanned copies of specific accounts and receipts when asked, as a result of Regional Council's review of Fraternity Annual Financial reports.

(1) Bank Accounts: each fraternity needs to open a bank account in the name of the Fraternity authorized by Council Resolution (a motion); this account should authorize 3 signing officers by name (preferably the Minister, the Treasurer and one other Council member) and again by Council Resolution (motion) specifying each cheque is to be signed by 2 of the 3 signing officers.

(2) Cheques: fraternities should use sequentially pre-numbered business style cheques with a cheque stub attached. The cheque stub is to be completed with date, name, amount and reason for each cheque written. If not using a cheque stub, you might be using a carbon copied style of cheque, but again you should record the information as above.

(3) Bank Deposit Books: use an official bank deposit book to record all deposits. If a deposit is made using a bank card or at a remote site, attach the deposit slip receipt issued by the bank into your ordinary bank deposit book. That way all bank deposits can be found in your deposit book. Ideally, record all cheques separately, writing the name and amount of each cheque. It creates a much better audit trail.

(4) Expense Voucher & Authorization Forms: When someone wishes to be reimbursed for expenses, he/she completes the form and **attaches all receipts**. The form is to be dated, the expenses itemized and dated, amounts marked on the form, and reason for the expense explained. The claim is to be totalled and signed by the person requesting to be reimbursed.

The Treasurer initials the form once he/she reviews the receipts, checks the calculations, records the cheque date, cheque number, cheque amount, and records the Expense Account it is charged to, and then initials giving it approval. The Minister (or third signing officer) signs the form giving final approval for the payment.

The signing officers have the authority to reimburse or pay expenses generally under two conditions. Ideally the fraternity approves a yearly budget, specifying amounts approved in each category to be spent. The signing officers have the authority to pay expenses within the limits of the budget. In the absence of approved budgets, Council can pass Resolutions (motions) authorizing specific expenditures. For such Resolutions (motions), record on the "Expense Voucher & Authorization Form", the date of the meeting when the motion was

approved. In these cases the Council bears the responsibility of incurring such expenses, not you as a signing officer. It would be helpful to attach a copy of the motion to the Expense Voucher. It creates a better audit trail.

Note: we recommend using Resolutions (motions) rather than just Council consensus. A Resolution (motion) authorizes an action. The Resolution (motion) for example may read, “ that \$100.00 be given to parish xxx for use of meeting room space”. In such a case, the parish likely has not sent you a bill but this Resolution (motion) formally authorizes that a cheque be written for that amount to the parish. If you can get a receipt, please do so.

In the absence of an approved budget, and/or an approved Resolution (motion), you as signing officers are taking responsibility for issuing any cheques you issue. We suggest in this case, the Treasurer should at the time they give their monthly financial report to Council, should point out any expenditures that were not pre-approved. Council can then approve these expenditures by approving your report. Council should understand they make the duties of the Treasurer easier when they approve by budget or motion ahead of time and it is easier for an auditor to verify the expense had authorization.

Always think – what backup do I have to show for an expenditure ... think of what receipts are available. For example if mileage is claimed attach a gas slip to show that you did travel ...also attach a Google estimate of mileage to the destination.

(5) Member Contributions & Donations: Canada Revenue Agency is strict in regards to organizations having strong policies around receiving contributions and donations in the form of cash. We need to encourage members to use cheques for their monthly contributions. If this is not possible for members, they need to place their contributions in a sealed envelope with their name and amount written on the outside of the envelope. Two Council members must be present for the opening and recording of member contributions. This is for the protection of your Council members.

We recommend a Monthly Member Contribution Form be used. The two Council members (the Treasurer being one unless unavailable) opens the envelopes, verifies the amounts and records the contributions made by each member on the preprinted form. Cheques can be recorded at the same time. This function will only take a short period of time at the end of the meeting. Loose collection is counted and recorded as well. Remember, tax receipts are never issued for loose change. * *Names of fraternity members could be put on your preprinted form to speed up the process.*

Charitable donations from other individuals who are not members should be treated with similar processes. Absolutely do not accept cash, unless there are two Council members

present and all pertinent information can be recorded immediately (i.e. the person's name and address).

These procedures are essential when dealing with the Canada Revenue Agency and issuing Tax Receipts for donations from members and others. If we wish to be a Charitable Organization, we need to have the greatest diligence to be using proper protocols around money. That is even what our Constitutions call for within our duties.

(6) Charitable Donations: Basically, a donation is considered a Charitable Donation (qualifying for a Tax Receipt) under two conditions: (1) the *donor* receives no direct benefit from the donation; and (2) the *donor* cannot demand what the funds will be used for. A donor can express his/her wishes, but the Council must have complete freedom to use the funds for whatever they deem appropriate. For a more in-depth description of the rules around Charitable Donations refer to the CRA Charities website: <http://www.cra-arc.gc.ca/chrts-gvng/>

(7) Donations In Kind: *we recommend you do not accept "Donations In Kind" because the rules around this type of donation can be complex.* Example: if a member buys books and gives them to the fraternity stating "I don't want to be paid, just give me credit by counting it with my contributions", we need to create the paper trail. Ask for the receipt, write the cheque to the member using the Expense Voucher & Authorization Form and if he/she wishes to donate the money back to the fraternity, he/she may do this. He/she could write a cheque back to the fraternity or endorse the back of the cheque you gave him/her and you would deposit it back into the fraternity bank account. In the deposit book note the cheque as coming from the member, otherwise it creates a problem in your cash receipts, because you will have a revenue without the cash to show for it.

(8) Actual Ledgers: you can use a *Blueline Ledger Binder Style of Ledgers or Blueline Columnar Book Style*. The important thing is that you have permanent books that can be retained for the 7 year period required by CRA. It is also really important to have permanent books that can be handed on from Treasurer to Treasurer. If you keep your records on computer (example in Excel spreadsheets) we recommend that you print hard copies and affix/tape them into a permanent book at year end.

It is also essential that you maintain all source documents in case of an audit for 7 years, so that what is recorded in the ledgers or registers can be traced back to the source documents. Our Financial Statements and our Annual Information Return must be verifiable for the auditors. Source documents would include bank deposit books, bank statements, member contribution registers/lists, Expense Voucher & Authorizations Forms, Fraternity Annual Financial Reports, cheque stubs, cancelled cheques, auditor reports, etc.

Using the example of the excel spreadsheet you can either manually set up your fraternity ledger or use the excel spreadsheet on your computer. Note: At year end, if using Excel, we would ask that a hard copy of the completed spreadsheet be pasted in the hard copy ledger.

Note:

For addition information on the role of the Treasurer refer to 'Appendix A'.

Appendix A

Treasurers Workshop June 8th, 2013 - Montreal

Leonarda MacNeil ofs

Preamble:

According to our General Constitutions

4. The treasurer, or bursar, has the following duties:

- a. to guard diligently the contributions received, recording each receipt in the appropriate register, with the date on which it was given, the name of the contributor, or the one from whom it was collected;
- b. to record in the same register the items of expense, specifying the date and the purpose, in conformity with the directions of the fraternity council;
- c. to render an account of his or her administration to the assembly and to the council of the fraternity according to the norms of the national statutes.

According to the General Constitutions

Article 54.3 The national statutes must also set up precise criteria for local fraternities that possess or administer property or real estate, so that the respective council, before its term of office is finished, has the fraternity's financial and real estate situation audited either by an expert who is not a member of the council or by the fraternity's board of examiners.

Note: expert would mean a person with an accounting designation or equivalency.

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With our Annual Information Return we are to provide Financial Statements which are to be certified. Given our level of Income, it does not have to be audited by professional auditors.

Currently, the Regional Fraternity books and the Heritage Fund books are audited, but to my knowledge few fraternities are actually having their books audited. In order for our financial statement to be certified, fraternities should be audited, to ensure we are meeting Canada Revenue Agency requirements.

Since it would be impossible to have the Regional Treasurer visit and audit each fraternity's set of books, we are asking that a knowledgeable person (not a member on Council) audit the books and sign the Annual Financial Report submitted to the Regional Treasurer, along with the Fraternity Treasurer.

We are also asking:

- (1) that a copy of your year-end bank statement be included with your annual financial report listing outstanding deposits and outstanding cheques,
- (2) the third copy of the Tax Receipts written be sent back to the Regional Treasurer, as it is a requirement that we have on record the number of the receipt, the person who received it, and the amount (the fraternity should keep photocopies of Tax Receipts issued), and
- (3) that fraternities be willing to provide an itemized list, photocopies, or scanned copies of specific accounts and receipts when asked, as a result of Regional Council's review of Fraternity Annual Financial reports.

Request for this workshop:

Several fraternities and Treasurers have asked for a workshop to explain what and how fraternity books should be done. I am not an expert in Charities, so I am very much learning as I go as well. Therefore, I am working with our Regional Treasurer, and Auditor to suggest what should be taking place. This workshop material is **a work in progress**, and my intent is to work with you, and hopefully help you. Our goal with this workshop and future follow ups is to assist Treasurers feel more comfortable with their roles, and to move us towards fulfilling Constitutional and CRA requirements.

1. Bank Accounts

Each Fraternity opens a bank account in the name of the Fraternity authorized by a Council Resolution (a motion); authorizing three signing officers by name (preferably the Minister, Treasurer, and one other Council member), and again by Council Resolution (motion) specify each cheque is to be signed by two of three signing officers.

2. Cheques:

Fraternities should use **sequentially pre-numbered** business style cheques with a Cheque stub attached. The cheque stub is to be completed with date, name , amount and reason for each cheque written. Instead of a cheque stub, you might be using a carbon copied style of cheque, where again you should record the information listed above.

3. Bank Deposit Books:

Use an official bank deposit book to record all deposits. If a deposit is made using a bank card or at a remote site, attach the deposit slip receipt issued by the bank into your ordinary bank deposit book. That way all bank deposits can be found in your deposit book. Ideally, record all cheques separately, writing the name and amount of each cheque. It creates a much better audit trail. In other words, an auditor can track (look up) and verify transactions easier, because it has been clearly documented throughout a process (receiving the money to actually it getting into the bank).

4. Expense Voucher & Authorization Forms:

Create a Fraternity Expense Voucher & Authorization Form for your fraternity using the example provided. When someone wishes to be reimbursed for expenses, he/she completes the form and **attaches all receipts**. The form is to be dated, the expenses itemized and dated, amounts marked on the form, and reason for the expense explained. The claim is to be totalled and signed by the person requesting to be reimbursed.

The Treasurer initials the form once he/she reviews the receipts, checks the calculations, records the cheque date, cheque number, cheque amount, and records the Expense account it is charged to, and then initials giving it approval. The Minister (or third signing officer) signs the form giving final approval for the payment.

The signing officers have the authority to reimburse or pay expenses generally under two conditions. Ideally the fraternity approves a yearly budget, specifying amounts approved in each category to be spent. The signing officers have the authority to pay expenses within the limits of the budget. In the absence of approved budgets, Councils can pass Resolutions (motions) authorizing specific expenditures. For such Resolutions (motions).... record on the Expense Voucher & Authorization Form the date of the meeting when the motion was approved. In these cases the Council bears the responsibility of incurring such expenses, not you as a signing officers. It would be really helpful to attach a copy of the motion to the Expense Voucher. It again creates a better Audit Trail.

Some fraternity councils come to decisions around money issues by consensus. I would strongly recommend using Resolutions (motions). A Resolution (motion) formally authorizes an action (the signing officers to pay an expense). The motion for example may read, that \$100.00 be given to a parish for use of meeting room space. In such a case the parish likely has not sent you a bill. But this motion formally authorizes that a cheque be written for that amount to the parish. So the signing officers are authorized to issue the cheque. It would be good to ask the parish for a receipt as well, and attach it to the form. In the absence of an approved budget, and/or an approved Resolution, and/or Council consensus, then you as signing officers are taking responsibility for issuing any cheques you issue. However, when the Treasurer formally gives the monthly financial report to Council, he/she should point out any expenditures that were not pre-approved. Council can then approve these expenditures by approving your report. But common sense will dictate what is appropriate. You don't need a formal resolution to reimburse someone for a pen. You do need a receipt. Councils should understand they make the duties of the Treasurer easier when they approve (by approved budgets, motions or consensus) expenditures ahead of time. Otherwise, they are perhaps placing the signing officers in awkward situations around expenditures. Whenever a decision is made by motion, or consensus, record the date of that meeting on the Expense Voucher form. If it were not pre-approved, record the date of the meeting where the Financial Report and these expenditures were reported , and approved. Simply write on the form ... "Financial Report approved on such and such a date.....". It's easier for an auditor to verify you had authorization. Again, Councils have to use common sense. Bottom line, you want to ensure appropriate expenditures are being made, and that the whole Council is bearing the responsibility for them, not your signing officers...especially your Treasurer.

Always think, what backup do I have to show for an expenditure think of what receipts are available, so for example if mileage is claimed attach a gas slip to show you did travel....also attach a Google estimate of mileage to the destination. An auditor can then quickly estimate reasonableness of a claim.

5. Member Contributions & Donations:

Canada Revenue Agency (CRA) is strict in regards to organizations having strong policies around receiving contributions and donations in the form of cash. We need to **encourage members** to use cheques for their monthly contributions. **If that is not possible** for members, they need to place their contributions in a **sealed envelope** with their name and amount written on the outside of the envelop. Two Council members must be present for the opening and recording of member contributions. This is for the protection of your Council members.

It is recommended that a Monthly Member Contribution form (Example 1) be created as per the example form provided. The two Council members (the Treasurer being one unless unavailable) open the envelopes, verifies the amounts, and records the contribution made by each member on the pre-printed form. If there is a discrepancy in amounts, both Councils members should bring it to the attention of the member. Cheques can be recorded at the same time, again for the protection of your Treasurer. Record the cheque number, in case a member is ever later trying to track his/her cheque. This function will only take a short period of time at the end of a meeting. Again, this is meant as a protection for your Treasurer. Loose collection is counted and recorded as well. **Tax Receipts are never issued for loose collections.**

Charitable donations from **other individuals** who are not members should be treated with similar processes. Absolutely don't accept cash, unless there are two Council members present and all pertinent information can be recorded immediately (eg the person's name and address) . Do not place yourselves in a position where someone can come back claiming they gave you more than they did. This is really important, in fact **essential**, when dealing with the Canada Revenue Agency and issuing Tax Receipts for donations.

When taking collections or payments from members it should be done in a manner that again protects your people (both the giver and receiver) as much as possible. I want to be very clear that I am not suggesting that members would intentionally do anything inappropriate. But mistakes can happen, and it is best to set up systems in a way that they can be identified immediately and corrected. Example: if you are taking registration at a retreat as people arrive...try to have two people taking registration and write ordinary receipts (not official Tax Receipts) for paymentsor **if it is too busy** add a column on your registration spreadsheet if you are using one, next to the payment amount, and have the person initial next to the amount he/she gave you. It is concretely clear that you both (giver and receiver) agree on the amount that was paid.

Overall, Councils should explain to (and remind) members, that these systems are set up, not because of trust issues among ourselves but instead, to demonstrate to Canada Revenue Agency that we deal with money with **upmost conscientiousness**. If we wish to be a Charitable Organization, we need to have the **greatest diligence** to be using proper protocols around money.

That is even what our Constitutions call for within our duties.

6. Charitable Donations:

Basically, a donation is considered a Charitable Donation (qualifying for a Tax Receipt) under two conditions.

- (1) The Doner receives no direct benefit from the donation; and
- (2) The doner cannot demand what the funds will be used for. A donor can express his/her wishes, but the Council **must have complete freedom** to use the funds for whatever they deem appropriate. If the Council doesn't have that freedom, it is not a Charitable donation. For a more in-depth description of the rules around Charitable Donation refer to the CRA Charities website.

7. Donations In Kind:

I would highly recommend we **do not accept** "Donations in Kind". The rules and regulations around this type of donation can be complex.

If a member for example buys books and gives them to the fraternity stating I don't want to be paid for these, just give me credit by counting it with my contributions, please create the paper trail. In other words, ask for the receipt, because you would need the receipt if you were to treat it as a Donation In Kind, write the cheque to the member using the Expense Voucher & Authorization form, and if he/she wishes to donate the money back to the fraternity, he/she may do so. He/she could write a cheque back to you, or endorse the back of the cheque you gave, and you deposit it back into the fraternity bank account. In the deposit book note the cheque as coming from the member. Otherwise it creates a problem in your cash receipts, because you will have a revenue without the cash to show for it.

Actual Ledgers

8. You can use a Blueline Ledger Binder Style of Ledgers or Blueline Columnar Book Style. The most thing is, you have permanent books that can be retained for the 7 year period required by Canada Revenue Agency (CRA). It is also really important to have permanent books that can be handed on from Treasurer to Treasurer. If you keep your records on computer (example in Excel spreadsheets), I highly recommend that you print hard copies and tape them into a permanent book as suggested above. Otherwise CRA requirements are, you provide burnt backup files of books that are maintained on computer. That means if you change your software, you must keep a copy of the programs so the electronic books are readable. It therefore would be much simpler to provide hard copy ledgers.

It is also essential you maintain all sources document in case of an audit for the 7 years, so that what is recorded in the ledgers or registers can be traced back to the source documents. In other words, so that the Financial Statements, and our Annual Information Return is verifiable for the auditors. Source documents would include bank deposit books, bank statements, member contribution

registers/lists, Expense voucher claims and receipts, fraternity Annual Financial reports, cheque stubs, cancelled cheques, auditor reports etc.

9: Member Contribution Sub-Ledger: (Example 2)

The Treasurer takes the Monthly Member Contribution Form (Example 1) described in Number 5 above and records the information into the Member Contribution Register (Example 2).

10. Cash Receipts/Cash Disbursements Journal (Main Sheet)

This Journal is set up to record the banking activity, and for you to show in the same register the transaction also recorded as a Cash Receipt (in orange colour), or Cash Disbursement (in black colour)..... by carrying the numbers straight across to the appropriate category. The categories in Cash Receipts and Cash Disbursements correspond to the Annual Financial Report (Example 4) you submit to the Regional Treasurer at the end of the year. Please don't add new categories for the programs you have. Classify your programs within the categories that exist. If you have questions, ask us what to suggest to you.

You will notice two columns in Blue. This spreadsheet is set up in a manner that will easily allow you to prepare an Income Statement, and Balance Sheet each month to present to Council and/or fraternity. The orange categories represent your Revenue accounts, and the black categories to the right represent Expense accounts. The blue columns are not included.

Your Revenue Statement represents what was earned and spent between two periods of time (here January 1st to 31st). The GIC you cashed in, you already owned it Dec31, so it was not something earned in that month. Likewise you purchased another GIC, but it wasn't something you spent. You simply changed it from cash to an investment. The blue columns affect your Balance Sheet instead. I've shown that as a column to you far right.

To complete this spreadsheet

(1) Record deposits and cheques as you do them. Record the date of the transaction, the description, and the cheque number for cheques written. In the next column record the total amount of deposits. Notice the total deposit does not get added into the on-going bank balance. You record the total deposit because it is easier for an auditor to verify the total deposit to the deposit book, and then to the bank statement. In the next column record the actual cash receipts which, does get added into the bank balance.

Do your monthly member contributions (Example 1) in a separate deposit. And record the deposit into the three breakdown categories (by cheque, by cash in envelop, and loose collection). In the deposit book you should list each cheque separately. An auditor will quickly verify the total cheques in the

deposit to your Example 1 total. The cash can be verified to the total of cash in envelopes and loose collections. At the end of the year you can quickly verify what the total Tax Receipts should be.

From your cheque stubs record cheques which are disbursements. Charge them to the appropriate expense account.

For GIC or Bonds being rolled over, whether they go through your bank account or not, treat the transaction as if it did. Record the original amount of the investment. Record the amount of interest separately and in the next column (because it is revenue). If you are reinvesting (principal + interest) record the whole amount. If you are adding more to it, record that separately.

Bank Statement Reconciliation:

Take the Bank Statement, verify the beginning total, to your beginning total, and then compare your deposit bank book to ensure all deposits have been recorded. List all outstanding deposits and add to the final bank balance. With a red pen place a check mark by cheques as they clear through the bank (look for any errors as they were being cashed), and on the main spreadsheet in the column next to ongoing bank balance place a red check mark by each. On the Bank Statement, list all outstanding cheques (cheque number, name, and amount) by comparing to the Main spreadsheet. Total all outstanding cheques and deduct from the final bank balance. Examine other debits and credits, and ensure you have accounted for them on the Main spreadsheet. The ledger balance should equal final bank balance plus outstanding deposits, less outstanding cheques.

Financial Statements:

Notice your total cash receipts should equal, as will your cash disbursements.

The difference between your Revenues on the Income Statement is the \$500. So \$1,305 less the \$500 = \$805. And the Expenses \$1,520 less the GIC of \$1000 = \$520. Net Income for the period = \$285.

The Balance Sheet changes from the beginning \$1000 Cash Plus \$500 GIC= \$ 1500 Equity to \$785 Cash plus 1,000 GIC = \$1,785 Equity. The change in Equity \$1,500 to \$1,785 is the \$285 Net Income.

If you have an approved budget, you can show the annual figures in a column to the right. And it would be helpfully to show a year to date budget. In this case it would be one month. That way your monthly actual can be compared to your YTD budget

The Audit Function: FOR EXAMPLE- (still a work in progress)

When you use the suggested processes above you will see how easy the Audit function would be.

Revenues:

- (1) Compare deposits in your bank deposit book, to bank statements, to the Ledger/Register.

(2) Compare monthly member contribution list, to Member contribution sub-ledger, to Ledger/Register. Test some entries.

Expenses:

(3) Compare cheque stubs, to Expense Voucher & Authorization form, to bank statement, to Ledger/Register. Test some entries.

(4) Follow GIC/Bond entries.... from purchase to maturity.....calculation of interest.

The Treasurer should provide adding machine tallies of all pages ... compare to Ledger/Register.

Compare Ledger/Register to Annual Financial Report to Regional, to reconciled Bank Statement, and GIC/Bond Final Value Dec 31st.