



ECSU Student Center and Student Activities Office *Co-curricular education for student organizational leadership*

← MONEY MATTERS →

Managing the financial aspects of your group can be a very trying experience! But with a little preparation and organization, bankruptcy does not have to be in your future! Not only will healthy finances help you sleep better, but they will also contribute to the strengths of your organization. An organization with debts has many problems:

- ♦ inability to pay off debts will affect your recognition as an ECSU organization
- ♦ large debts scare away old and potential members
- ♦ very limited or negative cash flow limits your ability to plan activities

All of the above threaten your existence as a recognized ECSU organization. So how does one avoid the perils of money management? No, you don't need to hire an accountant - or even have an accounting major for your treasurer. The most important tool of a sound financial program is a budget and at least one person who knows about your finances.

A budget should be developed at the beginning of each academic year. It is best to have your new executive board and outgoing treasurer develop this together. That way you limit the possibility of missing revenue sources or possible expenditures. It is also a good idea to have copies of your past budgets. Your organization's history of income and spending is indicative of what you will do next year. When developing your budget, remember to be realistic and even conservative. Planning for a \$2,000 grant from the state of Connecticut for revenue is as realistic as planning a tab of \$2/person for a steak and seafood dinner dance! Following are some ideas to consider when planning and laying out your budget.

INCOME

The first part of your budget includes planned sources of income. These could include membership dues, student activity fee monies, activity fees, fund raiser revenue, accounts receivable (does anyone owe your organization money?), and any other planned sources. Each of these sources should be listed separately in the income section.

Once you have listed your projected income, it is a good idea to subtract a 10% buffer from your gross income. This buffer will help you stay within your financial limits and provide you with a net income to meet your expenses.

EXPENSES

The second part of your budget includes all money you plan to spend throughout the course of the year. Examples are national membership dues, retreats, socials, membership education, alumni relations, supplies, public relations, conferences, rush ... there always seems to be a never ending list of places to spend your money!

MANAGING THE BUDGET

Once you have your budget, it's like having an umbrella; it isn't going to help unless you use it! Refer to it often and update it as needed. While most organizations use a treasurer to manage financial matters, it is important that more than one person understand the financial operations of the group. Even the best of treasurers need expectations and direction. Requiring monthly financial reports and documentation could help divert a financial disaster.

It is also important that your members understand your financial operations. A lack of understanding leads to disregard for paying bills and controlling expenditures. The more your members understand your revenue potential and expenditure constraints, the more they are willing to work within them.

Having a budget isn't the only way to keep on top of your finances at Eastern Connecticut State University. Following are some other things you should be aware of.

HAVING A COLLEGE ACCOUNT

If you receive money from the Student Activity Fee, you may receive monthly budget activity statements from the Business Office. These statements go directly to your organization mailbox in the Student Center.

OPENING A BANK ACCOUNT

All clubs and organizations will be issued an account in the Student Activities Accounting Intake Office (SAAIO) located in Wood Hall.

When you open an account, you will need two signatures on your account. Most groups use their treasurer and their president. You will need to bring this signature authorization form to the Student Activities Office for the Director's signature before your account can be opened.

Once you have an account, you will receive monthly statements about your checking activity. Be sure to reconcile your account monthly. The monthly account statements are sent to your organizational mailbox in the Student Center.

PURCHASE ORDERS

When you order merchandise (i.e., items to sell for a fund raiser, dinner dance favors, winter carnival t-shirts, etc.) or use a bus company, you will often be required by the company to use an official university purchase order. Purchase orders can be obtained from the Student Activities Office. Complete the purchase order with the following information:

- ◆ Name and address of business/vendor
- ◆ Date of order (today's date)
- ◆ Date required
- ◆ In "Charge to" write "Organizational Fund"
- ◆ Under description, give a complete description of service/goods ordered. This description must also include group name, contact person, and phone number.

Once completed, drop the purchase order off at the Student Activities Office. You may pick it up the following day. Give or send the white copy to the business/vendor you are working with.

Your vendor will then bill ECSU for your expenses and they will be paid based upon the purchase order you completed. You will receive an invoice from the Student Activities Office for your expenditures.

INVOICES

Any time you receive an invoice, it is important to pay your bills immediately. Do not delay paying any of these bills. Delayed or non-payment could adversely effect not only your organizational status, but other ECSU organizations also. There is more than one local business that will no longer deal with ECSU groups because of a payment problem, so be prompt with your payments. If you do experience difficulty with your debts, seek assistance as soon as possible. The Student Activities Office staff are available to help you develop solutions.

RELATED SAO RESOURCE

- ◆ Financial Resources for Student Organizations

REFERENCE

Adapted from: St. Norbert College, Department of Leadership, Service & Involvement

*Additional resource handouts are available as well as consultation services.
For more information, contact the Student Activities Office in the Student Center at 465-4450.*