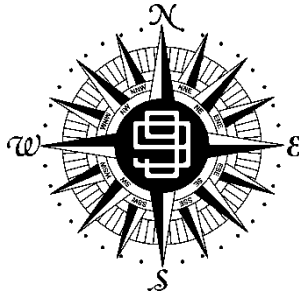


# South Central Section



## Ninety-Nines



# Section Standard Operating Procedures

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**Standard Operating Procedures**

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# **The Ninety-Nines, Inc South Central Section Standard Operating Procedures**

## **GENERAL INFORMATION**

This South Central Section Standard Operating Procedures (SOP) have been prepared to assist the Section Officers, Board of Directors, and the Section staff in the efficient execution of their duties.

It is the duty of all Section officers, Board of Directors, and staff to be thoroughly familiar with the procedures in the manual and to abide by them.

Each Section officer, Director, staff member, and Chapter Chair is to receive a copy of this manual and pass it on to her successor or return it immediately to the newly elected Governor if no successor has been appointed.

It is the responsibility of each holder of this manual to update the manual as changes are instituted by the officers or Board of Directors and/or voted into effect by the membership.

Any member of The 99s who has a username and password for the South Central Section may download a copy of this manual from the website.

# **The Ninety-Nines, Inc South Central Section Standard Operating Procedures**

## **GOVERNOR**

### **REPRESENTATION - INTERNATIONAL ORGANIZATION:**

1. Serve as liaison between the International Organization and the Chapters and members of the South Central Section.
2. Serve as a member of the Council of Governors and represent the South Central Section at all International Board of Directors meetings. If unable to attend, appoint another member of the Board of Directors to represent the South Central Section.
3. Serve as the official representative of the South Central Section membership at the Annual meeting or appoint another representative if unable to attend. Prepare and provide the annual Section report to the International Secretary by the time requested.
4. Hold and vote proxy representation of the South Central Section 'no chapter' members at the Annual meeting. Hold and vote, or distribute to the Vice Governor and/or other officers, proxy slips from Chapters not able to send a representative.

### **SOUTH CENTRAL SECTION:**

1. Assume the office of Governor upon installation at the spring business meeting of the election year. If a Vice-Governor filling an un-expired term of the elected Governor, assume office upon notification of the vacancy of the office.
2. Preside at all meetings of the South Central Section membership, Board of Directors and Advisory Council.
3. Carry out the collective wishes of the membership consistent with the provisions of the Articles of Incorporation and the Bylaws.
4. Serve as spokesman and provide guidance to South Central Section members and Chapters on all matters of policy.
5. Prepare the agenda for the Section Business meetings, soliciting agenda items from the Board of Directors and the membership and send a copy to each member of the Board. Check Host Chapter's schedule of events to facilitate schedule of section members hosting meeting
6. Maintain and make available to the membership a record of all correspondence pertinent to Section business.
7. Turn over all permanent South Central Section files to the incoming Governor upon her installation, or when vacating the office of Governor, immediately to the Vice-Governor.
8. Present the Governor's report, an oral summary of the Governor's activities at Section meetings. Maintain a written report in the Governor's files with a copy to the Section Secretary. Submit a copy for publication in the *Approach*.
9. Submit a periodical written communication to all Chapter Chairs, Advisors, and Board of Directors regarding the status of the Section. The Section newsletter may be utilized in this communication.

# **The Ninety-Nines, Inc South Central Section Standard Operating Procedures**

## **GOVERNOR**

### **BOARD OF DIRECTORS:**

1. Serve as Chair of the Board of Directors.
2. Establish regular communication with the Board of Directors regarding the status of the Section and pertinent information received from International.
3. Conduct and preside at a meeting of the Board of Directors prior to each South Central Section meeting. Notify the South Central Section membership in advance of the date, time, and place of each Board meeting, inviting their attendance and issues the membership wishes the Board to consider.
4. Call special meetings of the Board of Directors as needed or as requested by a majority of the members of the Board.
5. Conduct a Board of Directors meeting following the installation of new officers.
6. Maintain open communication with the Vice-Governor on the status of the Section, advising her immediately if it will be necessary for her to preside as a representative of the Office of the Governor at any official meeting.
7. Provide each officer and director with a description of her responsibilities.

### **ADVISORY COUNCIL AND COMMITTEES:**

1. Appoint all Advisory Council positions and fill any offices not provided for in the Bylaws or Standard Operating Procedures. Meet with all Advisors at each Section meeting.
2. Provide each Advisor with a copy of the Standard Operating Procedures including requirements for written and oral reports of the activity of her Advisory to the appropriate officer or to the membership.
3. Appoint Standing Committees, if requested by the membership or the Board of Directors, and make such committees known to the membership. Examples of such committees are Finance, Credentials, and Tellers.
4. Appoint Special Committees, if requested by the membership or the Board of Directors, and make such committees known to the membership. Examples of such committees are Read the Minutes and Scrapbook Judges.

### **CHAPTERS:**

1. Serve as advisor to all Chapter Chairs and members.
2. Establish communications with all Chapter Chairs regarding the status of the Section and the International organization.
3. Accept appointment of all Chapter proxy votes not assigned by the Chapters to another Ninety-Nine to represent that Chapter at the International annual meeting.
4. Present Certificates of Recognition for special awards to Chapters and/or members. Awards may include:
  - a. Chapter of the Year Award
  - b. Travel Award
  - c. Scrapbook Award
  - d. Special Recognition

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## GOVERNOR

5. Several annual awards may be presented by the Awards Committee at the Fall or the Spring Section Business meetings:
  - a. Chapter Operations
  - b. Aviation Activities
  - c. Aerospace Education
  - d. Safety
6. Send personal communication throughout the year to Chapters and/or individual members concerning information obtained from their Chapter newsletters. Read and respond quickly to let them know you are aware of their actions or awards.
7. Make personal visits to the Chapters, upon invitation, if possible and encourage Chapters to send you their newsletters.
8. Present new Chapter charters, if possible, or ask another Officer or Board member to do so.

## GENERAL:

1. Call for election of officers in even numbered years.
2. Bring matters of policy and philosophy of the International organization, as well as management of the Section, before the Board of Directors for discussion and proposals to be made to the membership or to the appropriate committees.
3. Acknowledge all correspondence received and direct it to the appropriate Officer or Advisor for advice or counsel if applicable.
4. Suggest refinement of the duties of the Office of Governor to the Bylaws/Standing Rules and/or Standard Operating Procedures Advisors with respect to the updating of policy, procedure or prevalent philosophy of the International organization and its members.

## REPORTS:

1. Periodic report to the International Board of Directors regarding the status of the South Central Section and International communications. In general a report is due prior to the Spring international meeting and the Fall international meeting.
2. Quarterly report to the Chapter Chairs on the status of the South Central Section and pertinent International communications. *The Section newsletter may be used for these reports.*
3. Annual report of the South Central Section sent to the International Secretary for inclusion in the International Annual Report.

## OFFICIAL RECORDS:

New Chapter Charters  
Governor and South Central Section Awards  
Amelia Earhart Scholarship Awards  
Correspondence - Section and International Business  
Chapter Charters. Surrendered.  
Current copy of Bylaws/Standing Rules and Standard Operating Procedures

# **The Ninety-Nines, Inc South Central Section Standard Operating Procedures**

## **VICE-GOVERNOR**

1. Read and abide by all information in GENERAL INFORMATION.
2. The Vice-Governor will assist the Governor as needed
3. Preside at Section or Board of Directors meetings in the absence of the Governor.
4. Represent the South Central Section when requested by the Governor.
5. Be responsible for purchasing a gift for the outgoing Governor and presenting it to her following the installation of the new officers at the Spring Section meeting.
6. Assume the office of Governor should the Governor be unable to complete her term of office.
7. Solicit chapters to host Section meetings and maintain a list of Section meeting hosts and locations for the next 10-year period. Serve as liaison between the Section board and the host Chapter and keep the Governor advised of all plans being made by the host Chapter. Send the host Chapter a copy of "How to Host a Section Meeting" at least one year in advance of their scheduled meeting. (Attached)
8. Advise the host Chapter of the upcoming Section Meeting of the requirements of the Officers and Board of Directors for meeting room scheduling and accommodations and of any known special Section and International guests attending.
9. Chair the Host-to-Host Fund. This fund is also known as the SCS Meeting Seed Fund.
10. Prepare a report of the Vice-Governor's activities for the fall Section business meeting. One copy should be given to the Governor, one copy to the Secretary, and one copy kept in the Vice-Governor's files.
11. Eliminate personal correspondence from the files before turning them over to the incoming Vice-Governor.
12. Make notes for suggested revision of the Vice-Governor's Standard Operating Procedures during the year and send same to the Standard Operating Procedures Advisor.
13. Prepare mileage computation for travel awards at each Section meeting, determine the winner, and inform the Governor.
14. Be responsible for finding a place to display Chapter scrapbooks at the Fall Section meeting. Appoint at least 3 people to judge the scrapbooks and notify the Governor of the winners.

### **SECTION BUSINESS MEETINGS:**

1. Introduce Section officers, past Governors, past Presidents, International officers and special guests present.
2. Make all announcements as requested by the host Chapter, the Governor, or attendees.

### **ATTACHMENTS:**

1. Travel Award Computation Directions and Central Point
2. Section Meeting Standard Operating Procedures, which includes Host-to-Host / SCS Meeting Seed Fun Procedures.
3. Treasurer financial spreadsheet, which includes Host-to-Host / SCS Meeting Seed Fund tracking form
4. Section Meeting locations

# The Ninety-Nines, Inc South Central Section Standard Operating Procedures

## SECRETARY

### GENERAL:

The Section Secretary will keep minutes of all meetings of the South Central Section Board of Directors, the Section Business Meetings, and any other meetings as directed by the Governor. The Secretary will process and mail copies of all the minutes as outlined in Sections I, II and III. The Secretary will write all letters and reports as directed by the Governor. The Secretary will maintain a permanent file of all the Secretary's records to be passed on to the new Secretary. This file will be made available to any Section member on request.

### I. BUSINESS MEETINGS

#### A. PREPARATION FOR THE BUSINESS MEETINGS

1. Before departure for the Section Meeting:
  - a. If your Governor prepares the agenda, obtain a copy thereof to set up for your use during the meeting (sample attached.) This will be very helpful and will simplify your note taking.
  - b. Prepare motion forms, motion logs, and sign-in sheets (samples attached.)
  - c. If you plan to record the meeting, obtain a cassette recorder and a dozen 60 or 90 minute cassettes to record the business and board meetings. Take some extra batteries as well.
  - d. Obtain and take with you several pens and a steno pad for note taking.
  - e. If directed by the Governor, prepare copies of the agenda (as composed or prepared by the Governor) to be distributed to the Board of Directors and others prior to the Section Business Meetings.
  - f. Take three copies of the minutes of the last Section Business Meeting. One copy will be for posting, with the second copy available for your use and notation for any corrections. Keep your copy available in the event you will need to read all or part thereof at the Business Meeting. The third copy is a "just in case".
  - g. Also plan to take two sets of the current Bylaws, Standing Rules, and Rules of the Meeting.
  - h. Arrange with the Host Chapter Section Meeting Chair for an audience mike - otherwise it is difficult to hear the audience participation.
2. At the Section Meeting and prior to the Business Meeting:
  - a. Arrange with the Host Chapter Section Meeting Chair to post a copy of the last Business Meeting minutes at registration as soon as registration is set up.
  - b. Obtain from the Host Chapter Section Meeting Chair the following information:
    - i. The total number of registrants, including South Central Section 99s, other 99s, and guests for recording in the minutes.
    - ii. The names of the attending VIPs, including International Board Members, speakers, Past International Presidents, Past Section Governors, etc. for the Vice-Governor. The Vice-Governor will need this list to use for introductions at the Meeting.
    - iii. The number of registered South Central Section members (delegates) for the purpose of determining a quorum. The quorum is based upon 60% of the registered members (delegates) actually in attendance at the Business Meeting. The Secretary will call the roll of Chapters present at the Business Meeting, asking for the Chapter delegates to acknowledge their presence by responding with the number of Chapter members present at the Business Meeting. If 60% of the registered members (delegates) are in attendance, a quorum can be declared.
  - c. Arrange for an assistant to help you to number and record the motions during the Business Meeting and to help you to number and change the cassettes - don't forget to number them.
3. In the event you are unable to attend a Business Meeting, BOD Meeting or a specially called meeting.
  - a. Advise the Governor immediately.
  - b. Make arrangements for a substitute.
    - i. Perhaps one of the Directors would be able to substitute for you, a past South Central Section Secretary, or a member of your Chapter.



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- ii. You will also need to supply your stand-in with all the material herein listed.
- iii. You will also need to provide your stand-in with the appropriate how-to information as well.
- c. The Secretary shall be responsible for the mailing and distribution of the minutes as outlined in Section C below.

### B. RECORDING THE MINUTES OF THE SCS BUSINESS MEETINGS

1. Before the opening of the Business Meeting:
  - a. Provide a sufficient number of motion forms to the Tellers' Committee to cover the agenda items (but have a backup supply.) The Tellers' Committee is to distribute the motion forms to those members (delegates) who desire to present a motion. The completed motion form is to be brought to the Secretary immediately for entering into the motion log.
  - b. Be certain to have the lists and numbers you obtained from the Chair with you and easily available.
  - c. Set up your cassette recorder, cassettes, extra batteries, motion logs and forms, your note pad, pens, minutes of last Business Meeting, and the specially prepared agenda. Have a chair available for your assistant. Relax.
  - d. Obtain a volunteer to staff a table at the door for the sign-in sheets; or, it may be possible to coordinate this with the Credentials Committee check-in the morning of the meeting. It is simpler, however, to have your own check-in table.
2. The Business Meeting process (refer to the sample agenda):
  - a. The first part of the meeting is fairly well standardized, thus you can set up your note-taking agenda accordingly.
    - i. The Vice-Governor will make the various introductions.
    - ii. The Secretary calls the roll of the Board Members.
    - iii. The Governor will introduce the parliamentarian, the Tellers Committee, and the Read the Minutes Committee. You should obtain these names prior to the meeting.
    - iv. Roll Call and Declaration of Quorum by the Secretary. As you can see, it is handy to have your own agenda with all the Chapters listed. Then it just becomes a matter of checking off and writing the numbers down. It is then easy to compute and state how many Chapters are represented and to calculate the percentage of members (delegates) present of those registered. The Secretary then states: "I declare a quorum."
    - v. With respect to the minutes of the last meeting, make certain they have been posted, and the statement suggested on the sample agenda can be made.
    - vi. The Secretary makes the motion to approve the minutes: "I move that the minutes of the (spring/fall) 20xx South Central Section Business Meeting be approved." (A second is not required for this motion.) You then step aside and the Governor will ask if there are any corrections; if not, she calls for the vote.
    - vii. The Treasurer's Report is generally treated in the same manner. Thus, you can set up a simple motion on your agenda.
  - b. As to the reports of the Treasurer, *APPROACH* Editor, Vice-Governor (Section meeting rotation), and the advisors, the Secretary should be provided with copies thereof. These reports will then become a part of the record of the minutes.
  - c. How to take the Minutes. *Robert's Rules of Order Newly Revised (1990 Edition)* states: "The minutes of the proceedings of a deliberative assembly is usually called the minutes, or sometimes - particularly in legislative bodies - the journal. In an ordinary society, unless the minutes are to be published, they should contain mainly a record of what was done at the meeting, not what was said by the members. The minutes should never reflect the secretary's opinion, favorable or otherwise, on anything said or done."
  - d. It is recommended the Secretary have her own copy of *Robert's Rules of Order*.
  - e. It is not necessary, nor required to include in the minutes a verbatim report of each speaker. A condensation or highlighted comments should be more than adequate. Do include a brief summary of reports as presented at the meeting so that the basic information will be available to all the SCS members.

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**C: TRANSCRIBING AND PROCESSING OF THE MINUTES OF THE SCS BUSINESS MEETINGS**

1. Transcribing the Minutes. Do not delay.  
The Secretary must send a "draft" copy to both members of the Read the Minutes Committee. There must be sufficient time for the committee to get back to the Secretary for her review and appropriate correction of the minutes.
  - a. Verify notes with the cassette recordings of the meeting.
  - b. It can be helpful to do a full transcription of some of the special reports, i.e., the International Report or other special reports, so that the Secretary can make a comprehensive and informative condensation. It is not necessary nor appropriate to include the full report - there could be repetition, etc. - these are "minutes". The minutes should also include a brief summary of the reports of the advisors and Chapter Chairs.
  - c. Send a "draft" copy to each member of the Read the Minutes Committee together with signature pages (see sample attached) for editing and correction.
  - d. Upon receipt of the "corrected draft" copies, review and incorporate the appropriate editing and corrections in the final copy.
  - e. If you do not understand or disagree with the proposed correction, confer with both committee members.
  - f. Complete and sign the final draft, attaching the signature page(s) of the committee members.
  - g. The motion log, motion forms, sign-in sheets, and reports must be kept in the Secretary's records as a part of the original minutes. It is not required to include copies of this material with the copies of the minutes to be mailed as described in item 2 below.
2. Processing the Minutes.  
The Standing Rules require that the minutes "shall be provided to each member of the Board, Chapter Chair and advisor ... within thirty (30) days..."
  - a. Include with the distribution of the minutes, as appropriate, Chapter Chair packets to those Chapters who had no delegate in attendance.
  - b. Include also with the distribution of the minutes, as appropriate, material that the advisors may wish to be sent to the Chapter Chairs.
  - c. Write a cover letter that may include the following information:
    - i. Brief description of the enclosures.
    - ii. Reminders of upcoming events and due dates of special reports.
    - iii. "Thank you" to attending Chapter delegates and a "we missed you" to Chapters not able to send delegates.
  - d. Also include a "smiley sticky" note on the cover letter to those Chapters not represented reminding them that the Standing Rules require a reimbursement to South Central Section for duplicating and mailing costs. Also, indicate the amount of the reimbursement cost.
3. After the minutes have been approved at the next Business Meeting, you may reuse the cassette tapes for the next meeting. It is suggested that your notes be retained as a part of the permanent file.

**II. SCS MEETINGS OF THE BOARD OF DIRECTORS**

**A. PREPARATION FOR THE MEETINGS OF THE SCS BOARD OF DIRECTORS**

1. Before departure for the meeting:
  - a. If your Governor prepares the agenda, obtain a copy thereof to set up for your use during the meeting (something similar to the sample with respect to the Business Meeting.)
  - b. Prepare motion logs, motion forms, and sign-In sheets (samples attached.)
  - c. Don't forget a steno pad, several pens, the cassette recorder, and cassettes.
  - d. If directed by the Governor, prepare copies of the agenda (as composed or prepared by the Governor) to be distributed to the Board members and/or others prior to the Board meeting.
  - e. Have on hand three copies of the minutes of the last Board of Directors meeting. One copy for posting, with the second copy available for your use and notation for any corrections. The third copy is a "just in case..."
  - f. Also have on hand two sets of the current Bylaws, Standing Rules, and Rules of the Meeting.
  - g. After you arrive at the meeting location, make arrangements to post the minutes.

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2. In the event you are unable to attend a South Central Section BOD Meeting:
  - a. Advise the Governor immediately.
  - b. Make arrangements for a substitute. (Refer to suggestions under Section 1.A.3. (b).
- B. RECORDING THE MINUTES OF THE MEETINGS OF THE BOARD OF DIRECTORS
  1. Before the opening of the Board Meeting:
    - a. Secretary will be responsible for handling distribution of motion forms and maintaining the motion log. If it becomes busy, recruit an assistant using the same procedure as outlined for the Business Meeting.
    - b. Set up your cassette recorder, cassettes, extra batteries, motion forms, motion logs, your note pad, pens, and minutes of the last Board Meeting.
  2. The Board Meeting process (refer to the sample agenda):
    - a. Set up your note-taking agenda.
      - i. Governor will make the introductions.
      - ii. Secretary calls the roll of the SCS Board Members; and declares a quorum. Since the Standing Rules require a two-thirds confirmation by the Board to institute an operating policy or Board function into the Standing Rules or SOPs, there must be five members in attendance to constitute a quorum.
      - iii. The remainder of the process outlined in Section 1. B. can be adapted to the Board Meetings.
- C. TRANSCRIBING AND PROCESSING THE MINUTES OF THE MEETINGS OF BOARD OF DIRECTORS
  1. Transcribing the Minutes.
    - a. Follow the procedures outlined in Section I.C. beginning with item "1. Processing the Minutes."
    - b. The motion log, motion forms, sign-in sheets, and reports must be kept in the Secretary's records as a part of the original minutes. It is not required to include copies of this material with the copies of the Board minutes to be mailed.
  2. Processing the Minutes.
    - a. Adapt the procedures outlined in Section I.C., item 2(a) as appropriate. The distribution of the Board minutes can generally be included with the Business Meeting minutes.

**III. SCS BYLAWS, STANDING RULES, PROCEDURES MANUAL**

- A. BYLAWS.
  1. The Secretary is responsible for maintaining an accurate and original set of Bylaws.
    - a. Each time the Bylaws have been added to or amended, the Secretary must incorporate the amendment(s) into the last approved set of Bylaws.
    - b. The Secretary's copy will be the official document for the Section.
- B. STANDING RULES
  1. The Secretary is responsible for maintaining an accurate and original set of Standing Rules.
    - a. Each time the Standing Rules have been added to or amended, the Secretary must incorporate the amendment(s) into the last approved set of Standing Rules.
    - b. The motion log has a column to check to indicate the addition or amendment of a Standing Rule.
    - c. The Secretary's copy will be the official document for the Section.
- C. STANDARD OPERATING PROCEDURES MANUAL (SOPS)
  1. Each time the SOPs Manual is added to or amended, the Secretary shall be responsible for keeping it up to date by recording all changes in same.
    - a. The Secretary's copy will be the official document for the Section.
- D. IRS 501(c)(3) TAX EXEMPT RULING AND GROUP TAX EXEMPT RULING
  1. The Secretary is responsible for retaining the original documentation of the tax-exempt rulings.

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2. The Secretary shall also maintain a copy of the participation authorization of the Section Chapters in the Group Tax Exempt Ruling.
  - a. The Treasurer's duties currently include maintaining the current and new Chapter inclusion under the Group Tax Exempt Ruling.
  - b. As new Chapters are included or existing Chapters excluded, the Secretary shall obtain this information from the Treasurer and add this information to the Secretary's Files.
  - c. As appropriate or necessary, the Secretary may assist the Treasurer in her duties with regard to filing of official corporate forms and IRS reports.

**E. CORPORATE DOCUMENTS**

1. The Secretary shall maintain in her files the original Articles of Incorporation and amendments.
2. The Secretary shall maintain contact with the authorized South Central Section registered agent in the State of Texas.
  - a. It is important to keep the records up to date with respect to the registered agent, i.e., address, etc.
  - b. The registered agent serves an important function for the Section, i.e., to maintain the corporate entity of the Section.

**F. MINUTES OF BUSINESS MEETINGS, BOARD OF DIRECTORS MEETINGS, SPECIAL MEETINGS**

1. The Secretary shall maintain in her files the original minutes of all meetings, together with all attachments.

# **The Ninety-Nines, Inc South Central Section Standard Operating Procedures**

## **TREASURER**

The Treasurer has a very important job: keeping the Section on track and on budget. This SOP will cover miscellaneous "good to know" information first, then a yearly schedule of tasks that must be performed for the Section.

### **MISCELLANEOUS**

#### **Accounts**

The Section has one operating (checking) accounts. This is where all the transactions will take place. The checking account is located at Southwest National Bank, P.O. Box 1401, Wichita, KS 67201. This is a Free Business Checking Account that allows the SCS to change the signers and the account agreement via mail rather than in person.

All Section monies will be held in this account and all transaction will be from this account. All deposits can be made online using the Southwest National Bank mobile app, or by mail. Access to the account can also be made online. More Information about these services are located on Southwest National Bank web site.

After election of a new treasurer, the newly elected treasurer shall contact Southwest National Bank to verify the current procedure to transfer signatures and the mailing address for the South Central Section Free Business Checking Account.

At this time the procedure is: The SCS Treasurer shall send a copy of the Section minutes showing election of new officers. Minutes must include the names of the new officers and their specific positions. The Bank will require newly elected officers for Governor and Treasurer to send a copy of their driver's license and their social security number.

The Bank will prepare a new Account Agreement document to be signed by the new Governor, Treasurer, and Secretary. All signatures must be original and on the same page. The last person to sign the page will mail the document back to the bank. If there are any problems, contact Trish Minard, President of the bank, as she is member of the 99s and has assured us that everything can be done on line and/or through the mail.

The current treasurer will give the new treasurer the current online ID and password. When appropriate on or about June 1<sup>st</sup> the new treasurer shall change the ID and password and update the bank profile as required.

#### **Fiscal Year**

The Section fiscal year runs from 1 June thru 31 May. All budgeting, reporting, and fiscal decisions are based on this year.

#### **IRS Rule 501(c)(3)**

The Ninety-Nines, Inc. and the South Central Section are organized under IRS Rule 501(c)(3). This qualifies the organization as a non-profit, charitable organization. While this frees the organization from having to pay income taxes, it does limit what the organization can do with its money. The rules are covered in IRS Publication 557.

Since the Section is incorporated as a 501(c)(3) organization, it is legally obligated to follow the 501(c)(3) rules. The Chapter financial reports allow the organization to ensure that the Section is operating under those rules.

#### **Tax Returns**

The Section files two tax returns every year. One is for the Section as a separate entity, under Federal Employment Identification Number (EIN) 23-7443195. The other is a group return for the Chapters covered under the Section's "blanket" 501(c)(3) exemption, under the group EIN 74-2457119. This keeps the Chapters from having to file their own tax returns. It does, however, require the Chapters to file reports with the Section tax advisor to ensure compliance with the 501(c)(3) rules.

#### **Chapter Financial Reports**

Every year the SCS Chapters must submit a financial report to the Section Tax Advisor. If the Chapters are to be covered under the Section "blanket" exemption, they must file a report with the tax advisor.

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## TREASURER

### Section Reporting

How often to report? As a minimum, a report should be prepared to go into the *APPROACH* (the Section newsletter) twice a year and an update to that report given to the Section at each Section Meeting. The Treasurer should ask the SCS Board of Directors if they would like to see financial reports more often. A suggestion is a "Management By Exception" (MBE) approach if the Board does not want reports often. The MBE approach is: the Section has an approved budget - if all remains within the budget, no extra reports are required. If something comes up that is not covered by the budget or will "bust" the budget (an "exception"), this must be reported to the Board immediately.

Early each spring the Treasurer must start to prepare a budget and submit it to the Board for comment. This will require that all the accounts be up-to-date and the Treasurer has studied the progress of the current fiscal year and the previous one(s). The Board will be looking for suggestions from the Treasurer and will rely on the Treasurer's advice on problem areas or areas of concern. Study hard and be thorough!

### International Dues Refund

Once upon a time, the Sections collected "Section" dues from each of its members. As this was a logistically difficult task, the Sections asked International to collect these dues for them. Now, when each member joins or renews with the Ninety-Nines, \$4.50 of their payment is earmarked for the Sections. Monthly the Ninety-Nines remit the dues to the Sections.

The International dues refund is the backbone of the SCS budget. Therefore, when budgeting, this amount should be estimated as closely as possible. One thing to remember: Emeritus Members, Life Members, and Ambassador Chapter members do not pay annual dues and the Section will not receive a refund for them.

When a member becomes a Life Member, a portion of that fee is set aside for Section dues. Instead of receiving \$4.50 every year for each Life Member, International sends the Section the entire amount that is set aside, in one lump sum, at the time the Life Member fee is paid. Use the Membership Directory to count the number of Life Members in the Section. They are designated by an "(L)" next to their names. While this is not an exact count, it will give a good estimate.

The Governor should have a count from Headquarters on the number of members in the Section. Subtract the number of Emeritus Members, Life Members, and Ambassador Chapter members from the total members and multiply by \$4.50 for the best estimate of the dues refund.

### Spreadsheets

Each budget item (receipts and withdrawals) is tracked on a separate sheet within the financial spreadsheet. The individual totals are "linked" back to a cash flow sheet to show the current fiscal health of the Section

These sheets are the tracking system now used for the Treasurer's duties. There are no "books" (accounting ledgers) being kept. With this in mind, it is imperative to ensure the computer files are up to date and **backed up** regularly (in case of computer problems). The Section cannot afford to lose the data, and it is the Treasurer's duty to protect them.

Use the spreadsheet wisely in reports to the Section. Seeing all of them is sometimes overwhelming, so use good judgment in setting up simple (easy to read) reports for the Section. This is especially true at budget time. A good presentation alone will make the budget process much easier!

### New Chapters

New Chapters are a welcome group to the Section. However, they do require much work to set up. The Treasurer will be involved with helping a new Chapter get going.

First of all, highly encourage Chapters to incorporate. This limits the liability of the Chapter (and likely the Section, too). It is not difficult to incorporate, just time consuming. It is not possible to go into detail here, because the incorporation process is governed by the state where the Chapter is located. The tax-exempt process is likewise. There are eight states associated with the SCS. The process is likely to be easier if the Treasurer can find a Chapter representative from that state to help with the process.

However, there is a file of paperwork in the Treasurer's files to help the Chapter with the process. It contains a "bare bones" kit for getting started:

1. Sample letter to Chapters from the Treasurer
2. Example Articles of Incorporation

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3. Articles of Association
4. Authorization for Inclusion in Group Ruling Status
5. Sample Chapter Bylaws
6. Application for Employer Identification Number with example
7. Sample Chapter Financial Reporting Form
8. Advantages of 501(c)(3) Exemption with copy of Publication 1771 (11-93) of the IRS
9. Copy of the Section's 501(c)(3) Group Exemption Ruling
10. Copy of Section's Articles of Incorporation

There are "hard copies" of each of these forms in the files as well as on disk.

### PREPARING A BUDGET

The budget process begins early in the calendar year. Once you've taken the steps described below to prepare a budget, it should be presented to the SCS BOD with sufficient time for comment and final preparation before the Spring Section meeting. The budget is to be approved by the Section members present at the Spring Business meeting.

Often it is too early in the year to adequately project how much money will be on hand at the end of the fiscal year (a necessity for adequate budget planning for the following year). If such is the case, prepare a current cash flow statement for the Section Board.

### Budget Preparation

1. Project monies remaining on hand at the end of the fiscal year by:
  - A. Listing actual cash balance in the checking account Also, do not include monies in the Special Projects Fund. These are designated funds.
  - B. List anticipated receipts not yet received but reasonably certain of actual receipt.
  - C. List anticipated disbursement amounts. These would probably include:
    - (1) Governor's travel expenses to Spring International Board meeting (Governor's Contingency Fund);
    - (2) Costs of the spring issue of the Section *APPROACH*,
    - (3) Governor's International Conference registration (Governor's Contingency Fund);
    - (4) Estimate through the end of the fiscal year the Administrative Expenses, which might include: copying and mailing.
    - (5) Review the budget disbursement accounts to determine if there are any other possible expenditures yet to be made, such as Nominating Committee, funds that may be needed by other advisors, and payment for sales table at spring Section, if required, and at the International Conference (usually \$30).
    - (6) Understand that:
      - (a) If a budgeted disbursement account was not "fully expended" or the disbursement was "over expended", determine the reasons therefore, and budget accordingly for the next fiscal year.
      - (b) Same process for budgeted revenue accounts.
      - (c) If a budgeted disbursement account was not "fully expended", there are no "carryover" funds from that account (this is an estimated expenditure, not "real" money)
2. Subtract anticipated budget disbursements that need to be made prior to fiscal year end from the cash on hand and anticipated revenues. That determines the anticipated cash on hand for each cash account at fiscal yearend.
  - A. If the projections indicate that there may be insufficient cash on hand to cover the current fiscal year budgeted disbursements, define the following:
    - (1) What budgeted disbursements not already made must be provided for?
    - (2) What revenue sources are available?
    - (3) How to tap these revenue resources.
    - (4) Prepare a proposal outlining the appropriate adjustments and reasons therefore.
  - B. If scenario shortfall is projected such as outlined in A. above, be ready to present substantiation and a plan, and then request Section Board action.
3. Setup a proposal from the information derived for a budget for the next fiscal year to present to the Section Board for its consideration and input.

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4. After receiving responses from the SCS BOD, pull together a budget proposal from the above actions for the Spring Section meeting for adoption by the Section membership. Remember:
  - A. Some final figures will still be missing, such as:
    - (1) Spring Section sales revenue;
    - (2) Spring Section cost of printing material for the business meeting
    - (3) Other possible administrative costs.
    - (4) International Conference registration costs.
  - B. These contingencies **must** be included in the motion for adoption of the budget.
5. The actual date of the Section Spring Business Meeting (current year and next) must be kept in mind during deliberations. It may take place outside the fiscal year! If so, plan revenues and expenses accordingly.
6. Present the budget at the Spring Business Meeting (make copies of the budget and motion for the Section Secretary for the Section records). Put the budget in the most concise and understandable form for presentation to the Section. Prepare PowerPoint slides or other format for presentation, enabling all to see changes as they are discussed. A parliamentarian can help with the motions and amendments; do not hesitate to question a current motion's standing or next step of the process. Take good notes of the final disposition of budget items. This is the budget that the Section Board and Section Treasurer are now responsible for following.
7. Create new account sheets with the approved budget amounts. The financial reports are now ready for the fiscal year!

## CHAPTER FINANCIAL REPORTS

Every year the SCS Chapters must file a financial report with the Section Tax Advisor, who in turn uses the information to complete the Section Group tax return to the IRS. The Chapter Financial report serves two purposes: to ensure the Chapters are operating in accordance with our 501(c)(3) charter and to authorize the Section Treasurer to cover the Chapter as an affiliate under the Section IRS Group Ruling Tax Exemption status.

The Chapter Financial Report forms have been created on a computer and should be passed on to successive Treasurers electronically. There is a form created for each Chapter, which includes their Federal Employment Identification Number? Also included are the instruction forms for filling out the financial report and a sample for the items required to be itemized. The forms should be updated if there are any changes to the IRS reporting rules for 501(c)(3) organizations.

## SCS GROUP IRS TAX RETURN

SCS Chapters are covered under a "blanket" exemption from the IRS. A return to the IRS must be sent each year to substantiate that exemption. The return is due by 15 October [from the IRS Returns for Organizations Exempt from Income Tax: "File Form 990 by the 15th day of the 5th month after the organization's accounting period ends." Accounting period ends 31 May, plus 5 months - October, therefore due on the 15th of October].

There is also a cover letter to be sent with the tax return. This letter should have all the Chapters affiliated with the Section and their Federal Employment Identification Number (FEIN).

The Section Tax Advisor will send a copy of the letter and the tax return to the SCS Treasurer and Board so that they will know that the tax return has been filed.

## SCS SECTION IRS TAX RETURN

The Section tax return is due the same time as the group return. The forms are filled out similarly for the Section tax return. The Section has a different Federal Employment Identification Number for itself (23-7443195), and the numbers come from within the spreadsheets kept by the SCS Treasurer. This information must be sent to the Section tax advisor when requested.