

APCO
International

Leaders in Public Safety Communications™

Chapter Fiscal Responsibility

Best Practices

Chapter Fiscal Responsibility Best Practices

This document is for information purposes only; chapter leaders should consult local experts to ensure appropriate financial protections are in place.

Member & Chapter Services Committee

LaToya Marz, RPL, *Committee Chair*

Christine Moore, RPL, CPE, *Committee Vice Chair*

Chapter Fiscal Responsibility Best Practices Subcommittee

Jeryl Anderson

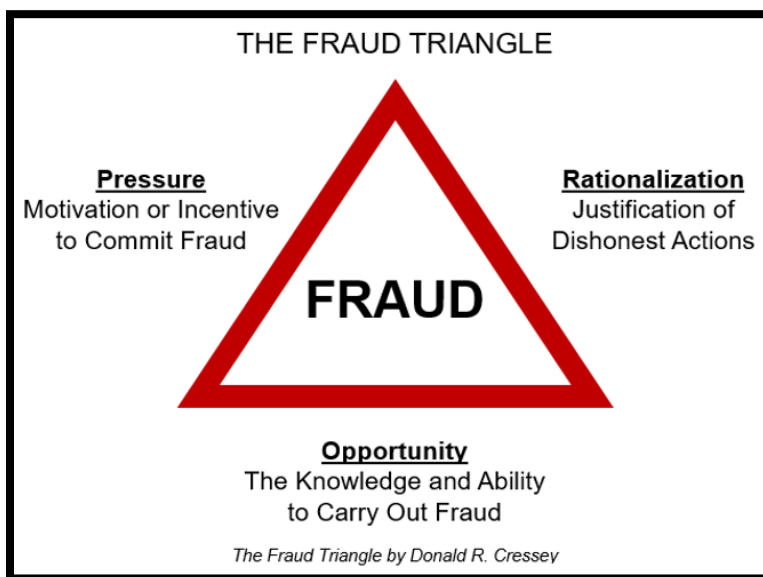
Kyle James

Herman Weiss

January 2024

Chapter Fiscal Responsibility Best Practices

APCO Chapters should maintain fiscally responsible practices for the protection of the Treasurer, the Executive Board, and the Chapter as a whole. Below is a list of best practices and recommendations that Chapters should consider implementing to ensure the future viability of the Chapter and protect against bad actors. All Chapter leaders should be attentive to the Fraud Triangle below, which outlines the three factors found to contribute to fraud.



Treasurer Best Practices

- Receive all general funds belonging to the Chapter and maintain a bank account for the orderly processing of all funds. He/she should pay from this account all Chapter obligations as prescribed by the Board of Officers.
- A Secondary Officer in addition to the Treasurer will be authorized on all Chapter checking accounts.
- Prepare a financial report and present it at each Chapter Executive Committee Meeting and the Chapter Annual Conference/Meeting.
- Make the financial records available to the Chapter Board of Officers for auditing purposes.
- Promptly deliver all monies and records to the successor in office or to whomever the Chapter Board of Officers may designate to receive them.

Chapters should also consider:

- Practice Segregation of Duties (described below).
- Regular account-related correspondence between Treasurer and President(s) for transparency and visibility.
- Write into bylaws or policies of the Chapter that financial records belong to the Chapter and should be maintained as such.
- To reduce the opportunity for fraudulent practices, Chapters should be hesitant about utilizing a debit card linked to Chapter funds. A better practice is to have receipts submitted to the chapter for reimbursement.

This document is for information purposes only; chapter leaders should consult local experts to ensure appropriate financial protections are in place.

- Monthly account detail reports sent to Executive Board by Treasurer. Reviewed and approved at each Executive Board meeting. The Treasurer should establish a due date to report all transactions to be included in the monthly detail report before an Executive Board meeting.
- Bi-yearly CPA review of Chapter financial books.
- Post Treasurer Reports either separately or in conjunction with Minutes posted in PSConnect.
- During the changing of Board leadership, the Treasurer should meet with the Executive Board to provide a full report of the current financial status and review the upcoming annual budget line items.
- Authorized purchases should be confirmed with the Treasurer with all appropriate documentation and itemized receipts turned in promptly for reconciliation, no later than a due date established by the Board. These receipts and associated reconciliations should be reviewed with at least one other Chapter Officer and/or the President(s).

Segregation of Duties

All Chapters should consider the Segregation of Duties for important duties where an individual should not be in a position to initiate, approve, undertake, and review the same action.

Four Functional Responsibilities:

1. Authorization to execute transactions: This duty belongs to persons with authority and responsibility to initiate and execute transactions.
2. Recording transactions: This duty refers to the accounting or record-keeping functions, which include recording transactions and events in the proper accounts, maintaining a ledger of refunds and credits, and recording all transactions and events in the correct accounting period.
3. Custody of assets involved in the transactions: This duty refers to the actual physical possession or effective physical control/safekeeping of property.
4. Periodic reviews and reconciliation of existing assets to recorded amounts: This duty refers to making comparisons at regular intervals and taking action to resolve differences.

Additional References:

- *Accounting System*, National Association of State Comptrollers (NASC) Internal Controls Information Sharing Group (2011).
- *Auditing Best Practices*, Wayne State University (2023) [<https://internalaudit.wayne.edu/audit-practices>].