

Regional Financial Guidelines for Regional Treasurers:

The Regional Treasurer shall be appointed by the DRC and may serve as a member of the Regional Executive Committee (EXCOM). The Regional Treasurer may be a position that is held in addition to another post such as Assistant Regional Chair (ARC) as determined by the Region.

The Regional Treasurer is responsible for the receipt, safekeeping and disbursement of region funds and for keeping proper records. These records should be sufficiently detailed to facilitate necessary comparisons with the region's budget at intervals and to form the basis for a new region-operating budget each year.

The Regional Treasurer is responsible for preparing the annual budget for the region. The budget should include funds to cover all and only expenditures that have been approved by the Chapters Regional Committee. The Regional Treasurer maintains a file with the notes and calculations used in determining budget line items for future reference. The Regional Treasurer will prepare a budget for the new fiscal year and send it to the delegates no later than one week prior to the CRC. After determining the funding requirement, the Regional Treasurer will calculate the chapter assessments using paid members data (not including Student and Life members).

The Regional Treasurer shall open at minimum a checking account, and depending upon the fund size, an interest bearing money market fund with the Regional Treasurer and the Director and Regional Chair as signatories. In establishing the account, local banking requirements must be complied with. All disbursements should be by check, with receipts obtained wherever practicable.

The Regional Treasurer may send a mid-year report to the Chapters Regional Committee detailing receipts and expenditures.

The Regional Treasurer shall prepare an annual financial report soon after the end of the fiscal year on June 30 and send it to the all delegates. The Regional Treasurer shall present the same report accompanied by all records and receipts, to the Audit Committee. The audited report and comments by the Audit Committee shall be presented to the delegates at the CRC Business Meeting as an agenda item. Approval shall be required prior to the new fiscal year budget approval.

If the Region is using a US bank, the region will need to have its own EIN number and file with the IRS the same forms a Chapter needs to file. (See the MCO, Appendix LL for US Federal filing details.) IRS filings for the Region and Chapters in the Region must be kept by the Region for 3 years. The DRC may task the Regional Treasurer to obtain the Chapter IRS filings from the Chapters. The status of the filings will be recorded at the ASHRAE Society.

Financial Policy

The Region should adopt a "Guidelines for Regional Finance" document (Example attached) This is intended to be a "living" document and periodically updated as required to keep it current. Additionally, all financial related motions related to the authorized expenditures shall be maintained in a separate file and update annually after the CRC as required.

Appendix A – GUIDELINES FOR REGIONAL FINANCE

- 1.1 Region Finance**
 - 1.2 Reports**
 - 1.3 CRC Emergency Fund**
 - 1.4 Record Keeping**
 - 1.5 Budget**
 - 1.6 Chapter Assessments**
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1.1 Regional Finance

The fiscal year of the region is considered as extending from July 1 to June 30, coinciding with the fiscal year of the Society. The Regional Treasurer is responsible for the receipt, safekeeping and disbursement of region funds and for keeping proper records. These records should be sufficiently detailed to facilitate necessary comparisons with the region's budget at intervals and to form the basis for a new region-operating budget each year.

The purpose of these funds is to enable the region to carry out the constitutional objectives of the Society, and it is the responsibility of the regional officers to carry on the work of the region in such a manner that expenses can be met. The Chapters Regional Committee should approve investment of the region funds.

The region has better control of its expenses if it prepares a budget for its own use for comparison and control purposes. Preparing the budget is one of the most important administrative activities the region can do because it represents a concise written statement of the region's goals and intentions for the coming year. More than a financial base, it is a map of the current philosophy of the Chapters Regional Committee. The Regional Treasurer should maintain a file with the notes and calculations used in determining budget line items for future reference. This will be invaluable when comparing actual versus estimated income and expenses and when preparing the next year's budget. Budgets should be designed to balance. That is, estimated expenses should equal estimated income. Furthermore, budgets should be conservative, with over-estimated expenses and under-estimated income.

The Chapters Regional Committee should establish the arrangements for the safekeeping of the region funds and withdrawal of said funds. Items that are budgeted for and approved by the CRC, can be paid by a request to the Regional Treasurer who will sign the check. Items that are not budgeted will require the DRC to approve the expense before it is incurred and before the Treasurer signs the check. Note: The person signing the check must be different than the person approving the expense.

The checking account signature card will typically have 2 or 3 people. Normally these people are the Regional Treasurer and regional officer(s).

One satisfactory method is the use of a checking account, subject to withdrawal by an approved party, typically the Regional Treasurer. In establishing the account, local banking requirements must be complied with. The account should be carried in the name of "Region____, American Society of Heating, Refrigerating and Air-conditioning Engineers," to avoid possible misidentification with Society funds.

For US Regions, the identification number on the account should be the Region's Employer Identification Number. Do not use the Society or an individual's Social Security number on this account. The arrangement should be such that when new officers are installed, the bank may easily be authorized to honor the new signatures.

All disbursements should be by written instrument and receipts shall be obtained. All disbursements must have an invoice. Postal employees will initial or stamp statements presented when stamps are purchased. Expenses incurred in entertaining a speaker, invited guest, etc., should be borne by the individual or committee charged with this function. This individual or committee can submit a written invoice with receipts to the Regional Treasurer for reimbursement. The use of a Regional expense report and expense MOP is highly recommended. The regional expense report should list only the items that have been approved by the Chapter Regional Committee and the CRC at which approved noted.

1.2 Reports

The Regional Treasurer may send a mid-year report to the Chapters Regional Committee detailing receipts and expenditures. This report should contain three principal elements.

1. Budget Comparison

Compare actual versus estimated figures for both this period and the year to date. Comment at the meeting as to any inordinate discrepancies, plus or minus.

2. Status of Principal Accounts

This will include the operating account, CRC Emergency fund or any other fund.

3. Disposition of Assets

For each of the principal accounts, how are the assets invested? How much are they earning? How secure are they?

1.3 Audit Committee

At the Chapter's Regional Conference (CRC), the DRC who shall designate an independent financial professional and/or a committee of 3 members selected from the pool of delegates plus the Regional Treasurer to perform the audit (a.k.a. Finance Audit Committee). The Regional Treasurer shall prepare an annual financial report soon after the end of the fiscal year on June 30 and send it to the all delegates. The Regional Treasurer shall present the same report accompanied by all records and receipts, to the Audit Committee. The audited report and comments by the Audit Committee shall be presented to the delegates at the CRC Business Meeting as an agenda item. Approval shall be required prior to the new fiscal year budget approval. These audits will be kept by the Region for at least 3 years.

For regions banking in the U.S., the Regional Treasurer shall file the appropriate documents with the IRS by the due date on an annual basis.

1.4 CRC Emergency Fund

If it is determined that a CRC Emergency Fund is needed, it will be set as a separate fund from the general fund. A motion from the Chapters Regional Committee shall establish the amount. Any disbursement or addition from the CRC Emergency Fund shall be subject to a majority vote by the Chapters Regional Committee and shall be used only for deficiencies in CRC funding due to unforeseen and catastrophic events. Only the necessary increase or decrease in the fund shall be considered in the

budgetary process.

1.5 Record Keeping

The following financial records shall be kept by the Region for at least 3 years:

- All Regional Treasurers' reports
- Old financial statements (banks, investment, etc.)
- All final Regional and Chapter audit reports
- Any Chapter and Regional Tax Filings

The Regional Historian can assist with the filing of these records at the end of each fiscal year.

1.6 Budget

Once the Audit Committee has reviewed the annual financial report, it will provide its comments and corrections to the Region. The Region will prepare a budget for the new fiscal year and send it to the delegates no later than one week prior to the CRC. The budget will be discussed and approved during the Business Meeting following the approval of the Audit Committee report. The approved budget will determine the funding requirement, which corresponds to the total budgeted amount plus the region funds balance minus the current recommended year-end balance as established by motion.

1.7 Chapter Assessments

After determining the funding requirement, the Regional Treasurer will calculate the chapter assessments using:

Chapter membership as published by Society at the end of the prior fiscal year (June 30). Life members and Student members are typically not used in the chapter assessment.

1. Assigning chapter assessment is the responsibility of the Regional Treasurer and must be completed no later than November 15th.
2. All chapter assessments shall be paid in full by the closing of business on January 31st of each year. The Regional Treasurer will be responsible to collect the chapter assessments and to follow-up on chapter assessments that are not paid.

Note: Chapters Regional Committee consists of DRC as chairperson and chapter delegates & alternates as members.