



AMERICAN SOCIETY OF
HOME INSPECTORS



The A to Z of Chapter Finance

Your Complete Roadmap

The First 30 Days

Congratulations on your election! Your membership has entrusted you with this role as they believe in your ability to effectively manage their finances, and it's important to prioritize these key tasks within your first month.

Here is a helpful checklist:

- Coordinate** a meeting with the outgoing treasurer to transfer documents and learn more about your new role.
- Gather** all bank records and update account information (e.g., signature cards, online account access, login credentials, etc.)
- Transfer** credit card authorizations and collect physical checkbooks and credit cards from the former treasurer.
- Obtain** all previous budget information and financial documentation.
- Review** the policies and procedures to protect yourself and the organization.
- Create** a payment due date timeline or electronic calendar.



Whether you've recently assumed office or have been in this role for a while, we are delighted to offer you the refreshers and resources contained in this document. Our aim is to support you in making your tenure a successful one.



The First 30 Days

Role, Responsibilities & Resources

Common Terms

Types of Accounting Documents



Role, Responsibilities & Resources



Your Role as Treasurer of a Chapter

In a small organization like a chapter, leaders may perform tasks typically assigned to accountants or bookkeepers. These roles include opening a bank account, tracking the chapter's budget, creating financial statements, establishing bookkeeping methods, and assessing tax regulations.

Understand Your Chapter's Tax Obligations

It is essential to know the tax obligations of the chapter, including registering with the IRS and filing annual tax returns. Chapters must also maintain accurate records and understand applicable tax laws. Consider hiring an accountant or using accounting software like QuickBooks to ensure compliance.

Accounting Best Practices



Develop a receipt tracking system

(e.g., software program, spreadsheets, etc.)



Create a budget report

Outline budget and projected expenses; share the report with other chapter leaders and members.



Reconcile bank accounts

On a monthly basis to ensure accuracy.



Understand tax laws and regulations

Consider consulting with a tax professional or attending a workshop.



Implement financial controls

(e.g., requiring two signatures on checks or limiting access to financial records, etc.) Communicate these controls to all chapter leaders and members.



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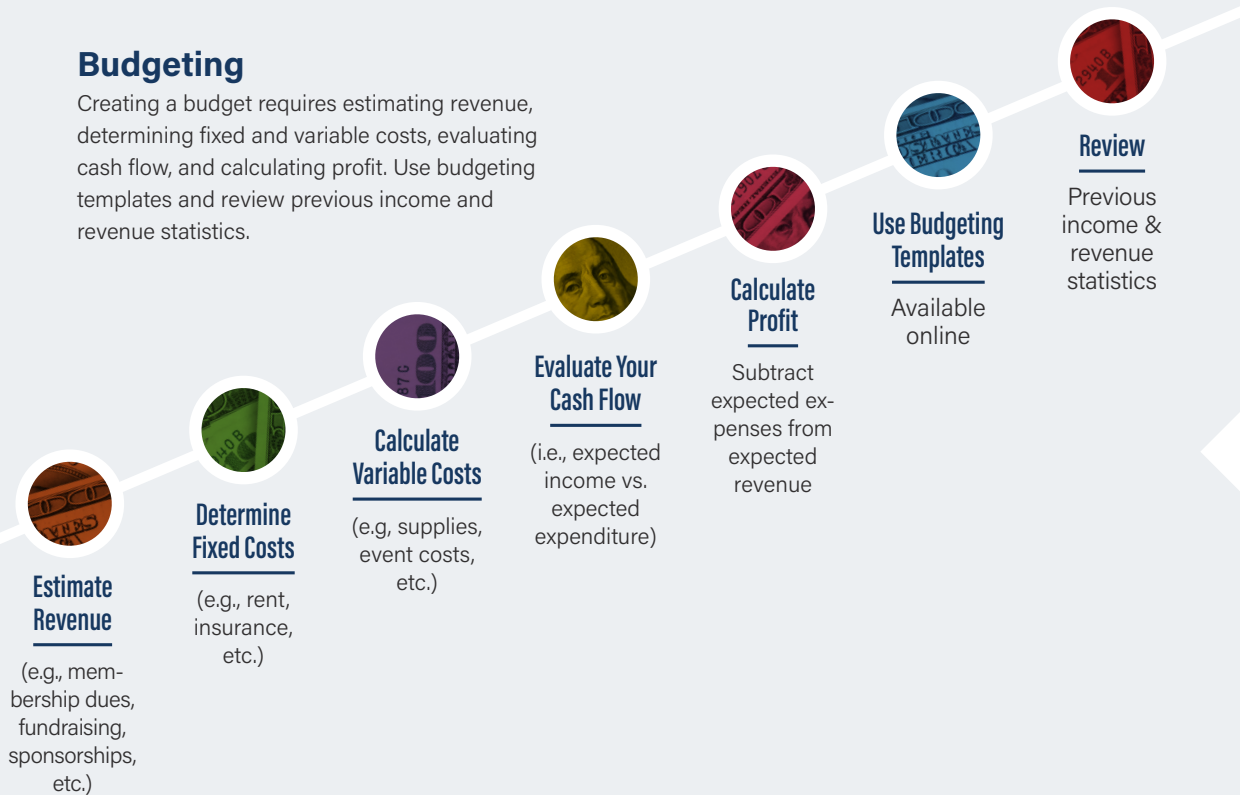
Types of Accounting Documents



Role, Responsibilities & Resources, cont.

Budgeting

Creating a budget requires estimating revenue, determining fixed and variable costs, evaluating cash flow, and calculating profit. Use budgeting templates and review previous income and revenue statistics.



Help & Resources

✓
Consider hiring a **bookkeeper or accountant**, or using accounting software like QuickBooks.

✓
Consider attending **workshops or seminars** to learn more about accounting basics, or consult with other organizations to see how they manage their finances.

✓
Consider partnering with a **local accounting firm or financial advisor** to help you manage your finances.

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Common Terms

Accounts Receivable (AR) and Accounts Payable (AP):

AR reflects expected income, while AP reflects expected costs.

Assets:

Anything of monetary value that belongs to the organization, such as property, investments, and trademarks.

Balance Sheet:

Shows the net worth of the organization and its financial stance. It includes assets, liabilities, and equity.

Bank Reconciliation:

Compares the chapter's financial activities with bank records to ensure accuracy.

Income Statement:

Shows how much money the chapter has made or lost over a specific period. It includes revenue, expenses, gains, and losses.

Calendar Year:

A 12-month accounting, financial, and tax reporting period that begins on January 1 and ends on December 31.

Cash Flow Statement:

Documents how much cash enters and leaves the organization by documenting operating, investing, and financing activities.

Debits and Credits:

Debits reflect incoming money, and credits reflect outgoing money. Every transaction should have a debit and a credit of equal value.

Equity:

The book value of the organization is defined by its equity, which is calculated by finding the difference between assets and liabilities.



Expenses:

The costs involved in running the chapter, such as rent, maintenance, and travel.

Fiscal Year:

A 12-month accounting, financial, and tax reporting period.

Liabilities:

The unpaid financial debts the organization owes, such as loans, IOUs, and outstanding bills

Profit:

The money the organization makes after subtracting costs from net income.

Profit and Loss (P&L) Statement:

Calculates an organization's net income by subtracting total costs and expenses from total income and revenue.

Revenue:

The money generated from normal business operations, calculated by the average sales price multiplied by the number of units sold.



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Types of Accounting Documents

Income Statement:

An income statement shows how much money the chapter has made or lost over a specific period. It includes revenue, expenses, gains, and losses.

Balance Sheet:

A balance sheet shows the net worth of the organization and its financial stance. It includes assets, liabilities, and equity.

Profit and Loss (P&L) Statement:

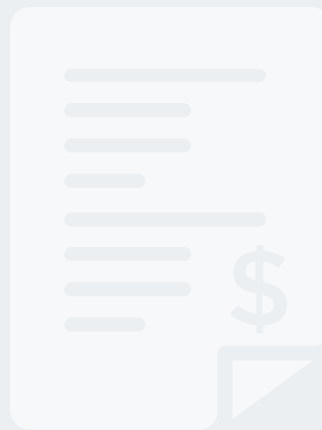
A P&L statement calculates an organization's net income by subtracting total costs and expenses from total income and revenue.

Cash Flow Statement:

A cash flow statement documents how much cash enters and leaves the organization by documenting operating, investing, and financing activities.

Bank Reconciliation:

To ensure accuracy, bank reconciliations compare the chapter's financial activities with bank records.



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