

**Chapter Officer**

**Resource Manual**

**Secretary/Treasurer**

January 1, 2018

**Introduction**

The National Kitchen and Bath Association encourages our members to serve as officers in their local NKBA chapters. Our local leaders will be instrumental in determining the needs of kitchen and bath professionals at the grassroots level and communicating to National.

This manual will outline the expectations and responsibilities of your role for a calendar year. Please review the information and direct any questions to the Leadership Communications Department at Chapters@nkba.org.

**Secretary/Treasurer Position Description**

**Term:** The term of office 2 years. Chapter officers may self-nominate for a second two (2) year term.

**Experience:** it is recommended the Secretary/Treasurer have some prior experience working with financial affairs and record keeping. The ideal person for this position is/has:

* Good record keeping skills
* Well organized and good at taking notes/minutes
* Comfortable with numbers
* Familiar with software applications such as Microsoft Money, Quicken or QuickBooks
* Familiar with Microsoft Word or similar software for taking minutes
* Familiar with the NKBA Strategic Plan, Bylaws and Policies.
* Willing to commit approximately 10 hours per month to chapter activities and work

**Description**: The Secretary/Treasurer supervises/handles all the financial affairs and record keeping responsibilities for the chapter. This includes payables, receivables, developing an annual budget, taking minutes at meetings, supervising chapter elections and maintaining chapter records.

**Responsibilities:**

* General
	+ Further the goals of the NKBA Strategic Plan
	+ Attend all chapter and chapter council meetings
* Financial
	+ Pay, receive and disburse chapter funds as approved by Chapter Council
	+ Maintain financial records
	+ Develop an annual budget
	+ Required to submit reports to Chapter, Chapter Council and NKBA
	+ Required to file 990 for with IRS annually
	+ Maintain a general ledger system to accurately accumulate all financial transactions
	+ Obtain bank account signatures card. (For internal control purposes, all checks and drafts disbursing chapter funds must have the signature of two chapter officers.)
	+ Sign all checks with another Chapter Council member that has been authorized by the Council
	+ Monitor expenditures
	+ Disburse chapter funds required to conduct chapter affairs and activities
	+ Prepare monthly bank reconciliation and reviews monthly chapter bank statements with the President
	+ Supervise/handle registration at chapter meetings
	+ Provide financial information required for chapter funding to President
	+ Work with Communications Chair on advertising opportunities on the chapter’s website, newsletter, etc. Be familiar with the type of advertising income that is subject to unrelated Business Income (UBI) tax.
	+ Work with the Programs Chair to plan sponsorship opportunities for the chapter
* Record keeping
	+ Preserving and maintaining chapter records
	+ Keep minutes of all meetings and distribute to Council members within two weeks after a Council meeting
	+ Minutes from previous Chapter Council meeting should be approved at the next Council meeting
	+ Supervise election of chapter officers

**Preparing for Office**

* Assist outgoing chapter officer in the performance of his/her responsibilities
* Review chapter policies in the *Chapter Officer Resource Manual*.

**Important Notes and Deadlines**

* Report chapter’s finances at council meetings ongoing
* Supervise chapter meeting registration ongoing
* Submit chapter meeting financial report to National **within one month of meeting**
* Review bank statements and balance checking account monthly
* Develop a chapter budget for approval by council January
* Set up records after President’s Planning Session January
* Maintain motion book ongoing
* Prepare and distribute minutes of council meetings within two weeks of meeting
* Submit Year-End Financial Report to National **January 31**
* Submit 990N or 990EZ tax filing to IRS and National **May 15**
* Chapter officer elections **see election schedule**

**Role Details**

**Secretary/Treasurer Committee:** It is recommended the Secretary/Treasurer, assisted by President, establish a committee comprised of yourself and two or more members to assist in the completion of all responsibilities of the position.

**General**

* With the President, create committee(s) to assist in the responsibilities of the position
* Chapter expenditures must benefit the entire membership, not a select few.
* Develop a chapter budget for approval by Chapter Council in January
	+ This report does not need to be submitted to National
	+ Budget should provide initial control of chapter funds
* Work with predecessor to become familiar with the chapter reporting systems
	+ examples of available financial software programs are Microsoft Money, Quickens, QuickBooks
* Collect sponsorship monies from sponsor
* Deposit monies received
* Review bank statement with President monthly
* Pay meeting facility bills and other expenses with approval of the Programs Chair
* Balance Chapter’s checkbook monthly and keep track of chapter investments, if applicable
* Provide articles for Chapter Newsletter to Communications Chair two weeks prior to desired publication
* Provide any information that needs to be included in the chapter meeting notice mailing to Programs Chair
* Report at Chapter meetings the amount in treasury and special occurrences that create revenue or expenditure.

**Registration**

* ensures that all current members are entitled to participate in membership services and activities at member rate
* accept registrations for all meetings:
	+ pull a member roster from the website (all chapter officers have access to the member roster on the NKBA website: Member Center/Tools for Chapters/Roster and Prospect List)
	+ check membership of each registrant and verify contact information is the same as what is on the roster. if different, request an update
	+ be prepared to issue receipts for any new registrations at the door
* day of the meeting, be responsible for registration

**Chapter Financial Reports**

* report chapter’s finances at each council meeting. The report should provide an overview of the income received and expenses incurred since the previous report, and the bottom line. Include a status of any investments the chapter holds (detail is not necessary, balance is sufficient).
* **Within one month**, submit to National the Chapter Meeting Financial Report (form available on the NKBA website) for each chapter meeting. Be sure to include the number of attendees and if CEUs were provided.
* The Year-End Financial Report for the previous year is due by **January 31st** (form available on the NKBA website). Chapter is required to keep all Year-End Financial reports for at least 7 years. They are to be handed over to the incoming Secretary/Treasurer at the end of your term.
* Reserve funding is recommended in case of unforeseen need, however, this amount should not be excessive. The chapter should continue to invest earnings back in to the chapter.

**Tax-Exempt Status**

The NKBA as well as each chapter are 501 (C) (6) organizations, the category of tax exemption designated by the IRS for trade associations. This means that the IRS has granted an exemption from federal income taxes for income from activities that are substantially related to the purposes for which the association was formed. Chapters are usually exempt from state taxes, but not sales tax. If you aren’t sure about your state’s tax laws, contact the previous Treasurer, or a local tax accountant familiar with your state’s tax laws. If your Chapter has an employee, the Chapter is responsible for paying the employment taxes, including federal withholding, social security, and any other applicable state or local taxes to be withheld. NKBA Chapters are not incorporated, and each Chapter has its own employer identification number.

**IRS Filings**

* **You must report the chapter’s earning to the IRS by May 15th,** or a request for an extension must be filed by that date. If you need copies of form 990-EZ, you can obtain them online at [www.irs.gov](http://www.irs.gov). You are responsible for filing the necessary forms with the IRS and providing a copy of acceptance by the IRS to NKBA by **May 15th**.
* If your chapter’s gross annual receipts from all sources are $50,000 or less, you are required to file the IRS form 990-N Postcard (online). Form 990-N is an Electronic Notification (e-Postcard) for tax-exempt organizations.
* If your chapter’s gross annual receipts from all sources are above $50,000, you must file IRA form 990-EZ. The 990s are informational returns only and as such require no accompanying tax payments.

**Unrelated Business Income (UBI)**

If you’re chapter brings in $1,000 or more in income per year in unrelated business income, such as advertising revenue, the chapter may be subject to unrelated business income tax (UBIT). Among the activities not subject to UBIT are:

* meeting revenue
* the sale of publications or NKBA logo merchandise
* income from fundraising activities
* investment income and sponsorship revenue

Unrelated business income is subject to tax and must be reported on IRS Form 990-T. It is generally imposed at the federal corporate income tax rates. Unrelated Business Income applies if all three of the following conditions are met:

* Income must be from a trade or business
* The activity is regularly carried on
* The activity must be unrelated to the purpose for which the organization was granted a tax exemption

The taxable amount is determined by the total unrelated business income less the cost related to generate that income. If your Chapter is subject to this tax, you must file IRS form 990-T. For more information, or for IRS forms, go to the IRS web page [www.irs.gov](http://www.irs.gov) and use their search engine. Please do not hesitate to contact NKBA Controller if you have any questions about your tax filings or status.

**Sponsorship**

* All sponsors must be NKBA members (does not apply to companies that are not affiliated with the kitchen and bath industry)
* Qualified sponsorship payments include monies given to your Chapter by any person or company engaged in a trade or business in support of a particular event or activity, for which the corporation does not expect a substantial return benefit.
* You may use or acknowledge the sponsor’s name, logo, or product line in connection with your activities as long as there is not qualitative or comparative description of the sponsor’s facilities, products, services or company.
* You may include a sponsor company’s locations, their logo, website and telephone numbers in your newsletter or meeting announcement. You may include value-neutral descriptions including displays or visual depictions, of a sponsor’s product line or services. To clarify, this means that you may say, for example “ABC Appliances distributes Maytag and Kitchen Aid appliances.” You may not say “ABC Appliances is the leading distributor of Maytag and Kitchen Aid Appliances in the tri-state area.”

**Advertising**

* Advertising is taxable
* Advertising payments are payments for which the corporation would receive a return benefit. Advertising income is subject to unrelated business income tax (UBI).
* Advertising includes some of the components of a sponsorship and goes a step further to induce the individual reading the advertisement to purchase, sell, or use the company’s products or services. There may be references to how much better the company or its products and services are than any other. This is referred to as qualitative or comparative language.
* Advertising may contain pricing information, or highlight savings, or include value statements or an endorsement of a company’s products or services.
* Advertising in an NKBA publication must NOT appear to be an NKBA endorsement of a company, a product or service. Ex: an advertisement should not say “The NKBA ABC Chapter recognizes the Smith Company as the number one appliance dealer in the area.”
* Sale of advertising space in an organization’s magazine, newsletter or on its website is considered UBI if the ad includes a description of the product’s or service’s quality as opposed to just listing the company’s name and logo.
* If your advertising can be considered UBI, you would need to file a Form 990-T, Exempt Organization Business Income Tax Return.

**Chapter Funding Program**

There are two (2) types of chapter support programs offered by the Association to chapters and subchapters that are in good standing each year.

* **Chapter Compliance Funding**. The sum of $1,200.00 is to be paid to the chapter/subchapter to support its educational, professional development and membership recruiting/retention activities. Chapter Compliance Funding is paid for the calendar year (based on the prior years’ compliance with the requirements to maintain good standing status with the Association).
	+ **Subchapter Development Funding**. The sum of $2,000 paid to a Subchapter that is newly formed by NKBA within a Chapter’s boundaries, together with a payment of $500.00 to the Chapter from which the Subchapter was formed.
	+ **Chapter Accredited Program Funding**. The sum of $250.00 for each existing NKBA accredited or supported program held within a chapter or subchapter’s boundary; for each new NKBA accredited or supported program held within a chapter or subchapter’s boundary, a payment of $500.00 shall be made.

The Chapter Compliance Grant monies will not be paid until all reporting is complete. Each chapter and subchapter **must comply** with the following requirements to remain in good standing and be eligible for this chapter grant:

* + **Reports of chapter/subchapter meetings** must be prepared and sent to National headquarters **within one month of each chapter meeting** setting forth the date, location and purpose of the meeting.
	+ **Year-end financial report** must be submitted to National headquarters no later than **January 31st** of each year.
	+ **Chapter Compliance From** which is due by **January 31st** and includes:
		- **Strategic Plan**
		- **Nominating Committee names**
		- **Membership drive dates**
	+ **Chapter officer training** must be completed by **February 28th**
	+ **IRS 990N Tax post card or 990EZ** must be filed with the Internal Revenue Service by **May 15th** each year (where applicable). Proof of the “Accepted” filing status shall be provided to National by **May 15th**. (Accepted status can be obtained from your IRS account within 20 minutes of filing.)

**Please mark your calendars with the dates for compliance of each requirement. Non-compliance with any of the above dates will result in disqualification of eligibility for this funding.**

* **Chapter Initiative Grant**. Chapters and subchapters may apply for a Chapter Initiative Grant to support specific activities developed by a chapter or subchapter to aid in the fulfillment of its educational, professional development and membership recruiting/retention activities. Grants are requested through an application process submitted to National. The Chapter Leadership Committee will review the applications and approve based upon the established criteria. The amount of funds available each year for grants shall be set forth in the annual budget of the Association; however, the maximum amount to be awarded to any one (1) chapter or subchapter each year is $2,500.00. We cannot guarantee that all chapters will be approved for the specific amount requested. Chapters should apply only for the amount needed to achieve successful initiatives listed on the application.

The application is to be filled out in its entirety and should give a clear picture of any specific initiatives (one or more) that will be done during the year to increase chapter membership, enhance member benefits or create awareness. This application is the responsibility of your council, as a team, to fill out. This is an optional program and not mandatory that chapters apply for this grant. The deadline to submit the application is **December 31st**.

**All forms/applications can be accessed on the NKBA website, under Tools for Chapters.**

**General Ledger**

* **Policy -** The NKBA will establish and maintain an effective accounting system to record data regarding the economic activity of the association.
* **General -** Management requires accurate and timely financial reports to judge the performance of the association and plan for further activities.
* **Procedure -** The NKBA will set up a general ledger system to quickly and accurately accumulate all financial transactions. The framework for this system is called the chart of accounts. The chart of accounts consists of the account titles and account numbers assigned to the titles. The account titles should be developed from an understanding of the economic activity and the information management deems necessary in the financial reports. Account titles should most appropriately describe the assets, liabilities, net assets, revenues, and expenses of the association. The following account titles in the chart of accounts are representative of what might appear in a simple business enterprise:
	+ Assets:
		- Cash
		- Investments
			* Accounts Receivable
		- Other Assets
	+ Liabilities:
		- Accounts Payable
	+ Net Assets:
	+ Revenue
	+ Expenses

Account titles within the chart of accounts should generally be arranged in the following order:

* + Assets
	+ Liabilities
	+ Net Assets
	+ Revenue
	+ Expenses

Within these categories, current accounts are grouped first, followed by long-term accounts. Referring to the sample chart of accounts shown in 1.1, note that current assets such as cash, accounts receivable, and inventory are listed before long-term assets such as land and building. After the accounts are titles and listed in order, account numbers should be assigned. Generally, accounts should be numbered in the following manner:

* + 1000- 1999 Assets
	+ 2000- 2999 Liabilities
	+ 3000- 3999 Net Assets
	+ 4000- 4999 Revenue
	+ 7000- end Expenses - Expenses are often divided into several groupings. For instance, 7000 - 9000 Operating – G&A – Building
* **Financial Information Adequacy**

Accounting systems should provide adequate financial information on a summary level if deemed necessary. Although business enterprises are extremely concerned with their overall operating results, they often require more detailed information to know how various segments of the business are performing. Businesses with more than one profit center must know detailed information about each area to determine if it is profitable or not. Different methods can be used to accomplish these accounting needs depending on the requirements of the enterprise. If an organization will use centralized accounting for all of its profit centers, adding additional numbers to the standard chart of accounts will serve to accumulate the required information.

* **Maintenance**

The general ledger should be adequately maintained. As stated throughout this section, the general ledger accounts are the source of all the financial reports used by management. It is therefore critical that the accounting records, after the entry of transactions in them, are properly controlled so that they continue to reflect accurately the operations of the business.

* **Record Keeping**
	+ Preserves and maintains the records of the chapter (see Records Retention Timetable)
	+ Take minutes of all meetings with the following information keeping them brief, minutes should not be detailed or elaborative. Include only the following
		- Name of the group
		- Date, time and location of meeting
		- Who is in attendance or absent
		- Minutes should follow the agenda including only basic information
		- Record what occurred without including names such as:

Action: motion made, seconded, and carried.

* + - Record other items from the agenda without detail
	+ Send minutes to the Council within two weeks of the meeting for review to ensure accuracy.
	+ At the next meeting approving the minutes is an agenda item. All Council members should have them in advance for review. Do not read the minutes at the meeting simply vote to accept.

**CHAPTER RECORDS RETENTION TIMETABLE**

CHAPTER ORGANIZATION RECORDS

Minutes of Chapter Board Meeting PERMANENT

Annual Reports PERMANENT

ACCOUNTING RECORDS

General journals 7 years

General ledger PERMANENT

Cash receipts book 10 years

Cash disbursements books 7 years

Bank statement and canceled checks 7 years

Expense bills (source documents) 7 years

Petty cash records 7 years

Financial statements - annual PERMANENT

Financial statements - monthly or quarterly 7 years

FIXED ASSETS

Land and Buildings PERMANENT

Equipment in use KEEP ON FILE

Equipment traded in on similar asset 7 years

Equipment disposed of (no trade-in) 7 years

CONTRACTS

Leases (after termination) 7 years

TAX RETURNS

Federal Form 990, 990EZ or 990-T and working papers PERMANENT

State information returns and working papers PERMANENT

Payroll tax returns 7 Years

Withholding tax statements (Forms W-2 and W-9) 7 Years

PERSONNEL RECORDS

Individual employee records PERMANENT

Payroll book 7 years

GENERAL CORRESPONDENCES 5 years

**Elections**

* **Recruitment Committee**
	+ At the first meeting of a new Chapter Council, usually in January, the chapter must elect a Recruitment Committee (formerly called the Nominating Committee). Members may self-nominate by sending their name to the President and the President shall also call for self-nominations from the floor for volunteers.
	+ The Recruitment Committee consists of at least 3 and not more than 5 members. The President is not eligible to serve on the Recruitment Committee.
	+ Those individuals receiving the greatest number of votes from among those present at a chapter meeting and eligible to vote shall be elected to serve. Nominees must be members in good standing of NKBA. The newly elected Recruitment Committee shall immediately elect a chair. The Recruitment Committee shall seek out and interview potential candidates for chapter office. Protocol dictates that first consideration is given to active members of the chapter and those who have demonstrated the willingness and capability to move the Association’s strategic objectives forward.
	+ Once the Recruitment Committee is selected, they should be recorded by the President on the Chapter Compliance Form and submitted to the Leadership Communications Department at chapters@nkba.org by January 31.
* **Chapter Officer Elections**
	+ Subject to the Policies and Bylaws of the Associations, any member (except students), or employee of a Member Company in good standing of NKBA, is eligible to be a chapter officer.
	+ National will send an election schedule to all current officers
	+ The timeframe for open elections and information about the elections will be sent to all chapter members in the NKBA Newsletter or by email.
	+ The *Chapter Officer Resource Manual* is available on the NKBA website. It contains information about each officer position including the roles and responsibilities. All officers should review this information before self-nominating for a position.
	+ Chapters may also develop their own self-nomination form with instructions to provide to members. The completed form should be sent to the current Secretary/Treasurer.
	+ The self-nomination form provided by National can be found in the Members section, under Become a Chapter Leader. This form shows the available positions and can be completed and submitted electronically to NKBA headquarters. All persons wishing to be considered for an officer position should submit the self-nomination form online by the deadline set forth in the Election Schedule.
	+ The NKBA Leadership Communications team will record the self-nominations received and send them to the Chapter Secretary/Treasurer and President.
	+ The Secretary/Treasurer is responsible for verifying the eligibility of a candidate applying for a chapter officer position by checking their chapter ‘s member roster, which can be found on the NKBA website under Tools for Chapters. When checking membership status, be sure to also check the candidate’s company name, company address, phone number and email address. If the information on the form is different from the roster, please notify the candidate to update their information with National’s Member Relations team. If the candidate is not a member, they must join the Association before they can be an officer.
	+ Please review the Chapter Compliance section in the *Chapter Overview* located under Tools for Chapters/Chapter Officer Resource Manual for guidelines on member eligibility.
	+ After eligibility is confirmed, send each self-nomination form to the Recruitment Committee.
	+ The Recruitment Committee Roles and Responsibilities are located in the Chapter Compliance section of the *Chapter Overview* located under Tools for Chapters/Chapter Officer Resource Manual.
		- Recruitment Committee must review each of the self-nomination forms received and meet with the candidate. Candidate interviews are encouraged to assist in the selection of officers
		- If more than one candidate self-nominates for a position, the Recruitment Committee will prepare a slate. The slate is submitted by the Secretary/Treasurer online to National. The online form is located under Tools for Chapters and contains the names of the candidates that have been approved by the Recruitment Committee.
		- The slate is due to National by 5:00 pm EDT on the date set forth on the election schedule for that year’s elections.
	+ Election Meeting
		- Chapters are required to have an election meeting every year to fill open positions.
		- Election dates are set forth in the Election Schedule which is sent to all officers and chapter members from National
		- Election meeting must be posted on the Chapter’s homepage of the NKBA website at least 4 weeks in advance of the meeting date as to notify all members.
		- If a chapter does not have any contested or open chapter officer positions for the coming year, then it will not be necessary to hold an election.
		- It is each chapter’s responsibility to verify that only those members that have voting privileges vote in the chapter election.
		- Voting members are defined as the following:
			* The Primary Contact for a NKBA member company or NKBA member branch.
			* The Primary Contact for a NKBA Associate Business Member
			* Members holding an Associate Individual Member Excluding student members
			* Members holding an Individual Employee Membership when employed by a member dues paying company
			* Members holding an Individual Employee Membership of a Non-Member Company when employed by a non-member company
			* Chapter Officer currently in office
		- Non-voting members are defined as the following:
			* Member Employees - Non-dues paying members. They are virtual members thru their NKBA Member Company
			* Member Employees - Non-dues paying members who are certified (AKBD, CKD, CBD, CKBD, CMKBD) etc. Certification dues are not membership dues and do not give an individual voting privileges.
	+ Election Results
		- Your chapter’s election results must be submitted to National by the date set forth on the election schedule. The **Election Results Form** will be available during the election timeframe in the Member Center, under Tools for Chapters/Chapter Officer Forms and also under Tools for Chapters/Election Results Form.
* **Removal of Chapter Officers**
	+ Any officer, whether elected or appointed, may be removed by a three-fifths vote of the chapter officers whenever, in the judgement of the officers, the best interests of the chapter and Association would be served.
	+ Chapter Council should notify the Leadership Communications Department at chapters@nkba.org to remove a chapter officer in advance of any action.
	+ Said officer shall have the right to appeal the decision to the full chapter membership. If the officer appeals, the decision of the chapter officers must be confirmed by a two-thirds vote of all eligible voting chapter members present at the next regularly scheduled chapter meeting.
	+ At least two weeks prior notification of the intended vote must be given for this chapter meeting to all chapter members and National.
	+ The CEO or his/her appointed representative, shall attend such meeting.
* **Vacancies or Disabilities of Officers**
	+ In the event of a vacancy, for any cause, in the office of President, or in the case of disability of the President, any officer can serve for the unexpired portion of the term. In the case of disability, until the disability ceases.
	+ In the event of a vacancy, for any cause, in any of the other offices, the Chapter Council will elect a successor to serve the unexpired portion of the term, or in the case of disability, until the disability ceases.
	+ The individual elected to fill the position created by such vacancy will serve the unexpired term of the retiring representative. They would then be eligible for election to their own two-year term.
* **Termination of Membership/Change of Status of Officers**
	+ If the membership in the Association of any elected officer shall for any reason terminate, the office shall automatically become vacant within 90 days, during which time the officer must reinstate his/her membership to be eligible to continue serving.

**Available Forms**

The following forms are available on the NKBA website [www.nkba.org](http://www.nkba.org) for the Secretary/Treasurer located under Member Center/Tools For Chapters/Chapter Officer Forms:

* Chapter Meeting Reservation & Attendance List
* Chapter Roster Policy & Permission Form
* Downloading & Using Membership Lists
* Annual Year-End Financial Report Form
* Monthly Chapter Meeting Financial Report Form
* Election Results Form
* Chapter Meeting Minutes
* Roberts Rules of Order
* Chapter Meeting Agenda (Sample)