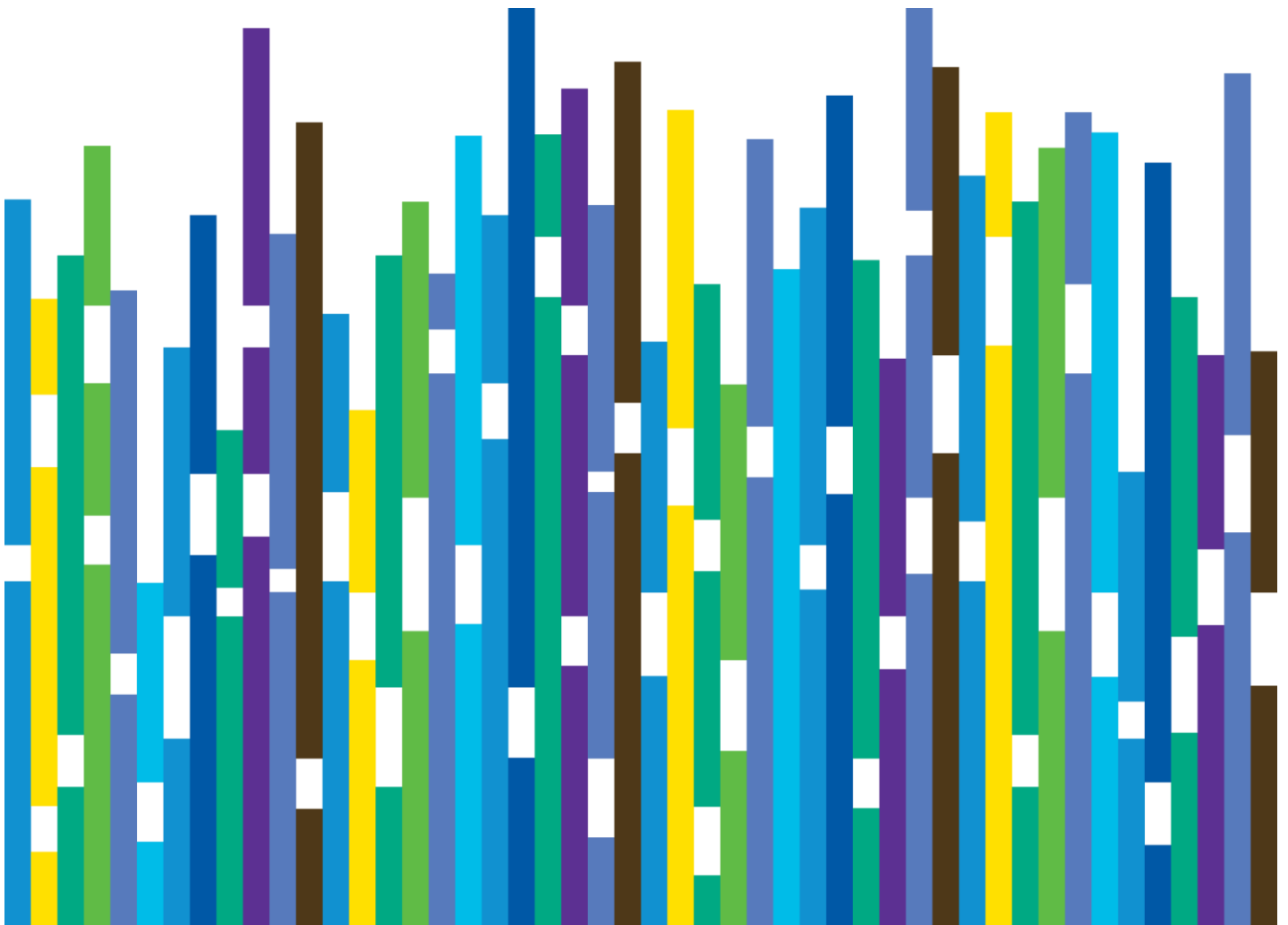


# SOCIETY BOARD TREASURER

## 2016 Role Guide

*The following role guide provided by CFA Institute is a template that may vary by society.*



# SOCIETY BOARD TREASURER

## Key Impact of the treasurer's role on the society and CFA Institute

- Advances the shared mission in partnership with CFA Institute
- Supports and promotes the strategy for the society
- Plans for his or her succession, ensuring leadership stability for the society

## Role overview

The Society Treasurer is responsible for managing the financial affairs of the society, and as such is a key member of the society's board. This includes, but is not limited to: bank account administration, investment reserves management, oversight of cash inflows and outflows, accurate and complete financial records retention, budget preparation, and financial statement and tax return preparation. The overall objective of the Society Treasurer is to maintain the safety and security of the society's assets, to securely collect and disburse funds as authorized, and to appropriately account for and report on these transactions.

*"To be a society leader, it means a lot. This has been one of the most fulfilling aspects of my life"*  
*Ana Cecilia, CFA Society Mexico*

The Treasurer is also an officer of the society's board of directors. As a board director, the Treasurer may have legal responsibilities unique to the local jurisdiction. Please check the society's bylaws and local laws. Typically, the board of directors is the governing body of the society, responsible for the ultimate direction and strategy of the society, including policy-making, whereas staff is responsible for the execution and implementation of board-directed policies. Typically, but subject to local laws, the ultimate legal responsibility for the actions (and inactions) of the society rests with the board.

## Treasurer responsibilities and duties

- Maintain all books and records relating to the financial operations of the society; records should be available for inspection upon request by any member of the society's board
- Formalize an annual budget; monitor actual versus budget variances, prepare forecasts, and report to the society Board
- Prepare required budgets for event/program planning, funding, etc.
- Prepare monthly, quarterly and annual financial statements as the society Board requires
- Have financial statements audited by independent auditors on an annual (preferred) or regular basis
- Annually report to CFA Institute (via preferred templates) the society's business plan and the end of year report that ensures goals have been met
- Serve as a signatory on authorized bank account(s) opened in the society's name at an appropriate banking institution. A minimum of at least two signatories should be maintained on all bank and investment accounts.
- Use fraud protection and controls for all banking, investing and credit card activities
- Issue timely payments to vendors, members, and other appropriate parties for authorized society expenditures

- Collect funds received during local society events and make timely bank deposits
- If petty cash is required, maintain appropriate controls over receipts and disbursements
- Ensure information protection for all bank account and credit card activity
- Check the Society Portal for the monthly Treasurer's report detailing electronic deposits from CFA Institute
- Request reimbursements from CFA Institute
- If society dues are collected by CFA Institute, annually select the method, currency, and rate for remittance to the society based upon options provided by CFA Institute
- Coordinate [Operational and Project funding](#) with CFA Institute
- Act as chairperson on the society's Investment Committee responsible for investment of the society's reserves; oversee and manage investments pursuant to the society's Investment Policy approved by the society Board; annually review the Investment Policy Statement; report to the society Board as required
- Prepare required tax returns or other compliance documents/forms, and submit filings to the appropriate governmental agency
- Maintain tax, regulatory, and legal compliance as necessary

## **Term and time commitment to serve in treasurer role**

Terms can be specific to each society. Typically, treasurers serve 2-year minimum terms starting in either July or January of each year and may, depending on the bylaws of the society, be eligible for a second consecutive term.

Time commitment can vary significantly based on the size, region, and activities of the society. The Treasurer will be a visible leader of the board by attending society programs, special events, and other activities. The time required will depend on the number of such activities on the society's calendar, as well as society organization and whether or not the society has staff. Based on input from society leaders, here is an estimate of the time needed for this position:

- 1–12 hours per week for general business and correspondence
- 1–7 hours per month for committee or board meetings
- 1–10 days per year for conferences or strategic planning events

## **Where to start in your new role**

- Contact the past treasurer to establish a mentor.
- Contact your CFA Institute relationship manager to begin a working relationship.
- Participate in online and in-person orientation training provided by your society relations manager.
- Read and discuss your society's succession or transition plan.
- Review your society's bylaws, strategy, and business plan or board manual, as available.
- Identify your next board meeting and expected duties for that meeting.
- Set a timeline for reviewing the society's strategic and operational plans prior to the preparation of the annual budget.
- After society Board authorization, become a signatory on existing bank and investment accounts, and remove previous signatories who should no longer remain authorized on the accounts

## Orientation or training for your role

The following resources are available to help in your orientation to serve as treasurer:

- Orientation Online Training Hub—on demand
- One-on-one role training with society relations managers—as requested
- Society Leadership Conference\*—annually in September or October
- Society Regional Meetings\*—annually in March or April
- Past treasurers/mentors—as requested

\*Attendance is limited and selection for your society may vary.

## Expected competencies and qualifications

Familiarity with or ability to learn the responsibilities of the following will strengthen the effectiveness of the society treasurer as a board director:

- **Strategic planning**—Board members are responsible for setting the overall direction for the society, developing plans to support the society's goals, and ensuring that resource allocation is optimized to achieve these goals.
- **Board duties**—Board members should act with integrity and in the best interests of the society. They are responsible for (a) ensuring an appropriate governance structure for the society; (b) developing policies and procedures to support the organization's purpose, mission, and integrity; and (c) monitoring and making informed decisions regarding the society's activities and programs, products, and services.
- **Financial stewardship**—Board members are responsible for monitoring, protecting, and expanding the society's financial resources and ensuring compliance with reporting requirements.
- **Volunteer and staff stewardship**—Board members are responsible for planning and managing the personnel resources (volunteer and staff) necessary to support the society's activities.
- **Performance monitoring and accountability**—Board members are responsible for ensuring transparency and maintaining accountability through regular reporting of society and board activities to stakeholders and periodic assessment of society and board performance.

## Other key resources for your role

- CFA Institute Society Relations manager and regional contacts
- Examples (best practices) gathered from other societies via the following: networking at the Society Leadership Conference, Connexions, regional conference calls, regional meetings and Society Center
- Society Center and marketing resources therein
- SMSS Online Tool and related data analysis—*access must be requested*
- Please refer to CFA Institute policies regarding [funding](#) (operational and project) and society reimbursements (general and society dues).

## **Treasury best practices**

- New bank and investment accounts or changes to existing accounts (including authorized signatories) should be approved by the society Board
- Reconcile banking and investment statements and monitor activity on a timely basis
- Use two person (dual) controls for check signatories, based on spending level
- Use two persons to separate the initiation of banking transactions from the authorization/release of banking transactions. If possible, also separate the bank account reconciliation process from the receipts/disbursements processes
- Set banking user and transaction limits (i.e. per transaction, per day)
- Use computer/machine registration
- Use banking payment templates (rather than free form transactions)
- Review bank fees regularly
- Eliminate or reduce petty cash to a minimum
- Implement record retention and security procedures for society documentation (securely store highly confidential bank account numbers/statements, bank system logins, passwords, signatory and credit card information)