

## OFS Tax, Banking and Audit

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### Tax number

Each fraternity is a tax exempt organization under Section 501c(3) of the Internal Revenue Code.

The fraternity EIN # is assigned when it was established that # is used to open the original bank account It does not change and remains the permanent EIN number.

If you make purchases of taxable goods, you do not have to pay tax...Many fraternities do not buy in sufficient large quantities to justify claiming the tax exemption, but if you are one of the fraternities that do, you should be using the exemption. This is relatively easy if you are using the same supplier/vendor.

If you do not have a copy of your EIN from the IRS....If you do not know your number, it is on file at your bank and an authorized signer can request it.

Call 1-800-829-4477 to ask for a Confirmation Letter of your EIN number.

### Bank Name

“The fraternity” is an individual component unit organized to promote the purposes of the Secular Franciscan Order. No person/individual is entitled to share in the fraternity assets upon the dissolution of a fraternity.” The bank account is one of the assets of the fraternity and as such belongs to the Secular Franciscan Order. In the event a Fraternity ceases to exist, all assets are forwarded to the Regional Fraternity.

Your bank account should read:

LINE 1-- Secular Franciscan Order    LINE 2-- Your Fraternity name    LINE 3 -- Treasurer's mailing address.

Two signers on the account must be: Minister and Treasurer.

The Council is responsible for:

- Ensuring the treasurer is maintaining adequate records.

- Setting the requirements for the Treasurer to report bank balance, etc. to the Council...

- Establishing internal audits schedule by 2 non-council members -annually or more frequently, and before the end of the treasurer's term of office.

- The assigned auditors submit a written report of their findings to the Council at the next Council meeting.

Treasurer Responsibilities are to ensure :

“a full and accurate accounts of receipts and disbursements in books/ledgers belonging to the fraternity and shall deposit all moneys and other valuable effects in the name and to the credit of the fraternity in such depositories as may be designated by the Council”. (Fraternity Internal Controls...page 2)

Cash deposits are counted by 2 persons using a tally sheet initialed by the counters.

Deposits made as quickly as possible after receipt.

All checks are stamped “For Deposit Only.

Checks are made payable to a specific payee and not “Cash”.

Check is not made payable to and signed by the same signatory.

All expenses are paid by check.

Petty Cash Funds – if authorized by Council- are balanced and reimbursed frequently by check.

Expenses not already in approved annual budget are approved by Council before payment and be entered into the Council Meeting minutes.

Receipts are presented for all expenditures.

Incoming Checks are not made payable to the Treasurer.

The treasurer also reconciles the Check Register to the Bank statements monthly and reports to the fraternity members and to the next higher Council as part of the Annual Report.

Other Treasurer responsibilities:

Assist in preparing the fraternity’s annual budget.

Retain Treasurer records for 6 years.

When a fraternity is de-activated, the treasurer disposes of the moneys and other assets, if any, remaining in the fraternity by transferring said moneys/assets to the Regional Executive Council.