



Treasurer Training Manual

Worthy Treasurer, as you serve your council and the Order as Treasurer, remember that you are a part of a team. Your team consists of you, the Financial Secretary, the Grand Knight, and the 3 Trustees. How well you do your job will affect how well they can do theirs. Indeed, your entire council is depending on you to be reliable and accurate. They trust you to be honest and dedicated.

Nonetheless, the Board of Trustees will scrutinize your work at every meeting. Your books should always be open for inspection. Indeed, you should plan to keep your records so concise and organized that almost anyone can understand your council's financial status after only a short inspection of your records.

To that end, all that you do should be done with the Semi-Annual Audit in mind; it is your official accounting to the Board of Trustees and the membership at large. The **Semi-Annual Audit is the key.**

Twice a year you will be called upon to turn over your books and all relevant data for inspection. These two periods are from July to December and from January to June. The Grand Knight leads the audit, and he will usually allow a reasonable time (for checks to clear and to receive the bank statement) after the end of each period. He will then call for you, the Financial Secretary, and the Recording Secretary to submit all relevant records for review. The audit may then be conducted by the Board of Trustees, led by the Grand Knight as chairman of the board. You should be present, but you may not complete the audit. If you cannot be present, you should make yourself available by phone. However, if you have done a good job, your books should "speak for themselves".

Here are the main duties of a Council Treasurer:

1. **Manage the Council bank account(s)**

All council bank accounts should be accessible by (at least 2 and at most 3) members of your council. Two members must sign all withdrawals. This ensures no one person may access council funds without oversight.

1. The Treasurer is the main person who should have signature authority to place money in the bank and make withdrawals.
2. The Grand Knight is the secondary person who should have signature authority to place money in the bank and make withdrawals. In general, the Treasurer and the Grand Knight should be the main 2 people responsible for co-signing all checks.
3. The Deputy Grand Knight is an optional third person who may have signature authority to place money in the bank and make withdrawals. In case the Treasurer or the Grand Knight are unavailable, the DGK may co-sign checks.

INCOMING FUNDS PROCESS (RECEIPTS) – See Financial Officer Training for more information [Financial Officer Training 2020 Video - YouTube](#)

1. **Financial Secretary receives all incoming funds.** Excepting bank interest, which usually gets deposited directly into the council account, which you oversee, it is very important that all money be given to the Financial Secretary first. The two of you are not adversaries, but you will help keep each other honest.
2. **Financial Secretary records these funds and turns them over to Treasurer with a proper breakdown.** His records must concur with yours – at every meeting and on the audits.
3. **Treasurer prepares receipt (Form 281) and gives original to Financial Secretary.** While the receipt is for the Financial Secretary's records, consider the benefit to you. If you are regular in issuing receipts for the money you receive, it will be less likely that "misplaced" funds will ever be attributed to you. You can



Treasurer Training Manual

always ask the FS to show the receipt. Of course, you will retain a copy of all receipts for verification. *Form 281 can be ordered by the Financial Secretary from Officers' Online (within Supplies Online).*

4. **Treasurer deposits funds into bank in a timely manner.** This is critical, especially at the end of the audit period. You will want income for that period to be reflected on the bank statements for easy corroboration during the audit. Though you are bonded for \$5,000 through Supreme Council (and your council may elect to increase that amount), a responsible Treasurer makes the deposit within a day or two of receiving the money.
5. **Treasurer presents deposit slip and Financial Secretary presents original receipt to Grand Knight to be read at next meeting.** One would think that the accurate handling of the council funds would be of great concern to the GK and the membership. After all, they elected their most trust worthy member – you – to manage the accounts. Surprisingly, though, this portion of the meeting is often skipped. Most Grand Knights will do anything to make the meeting move faster. To help make things move quickly, meet with the FS before each meeting to be sure that he has been given receipts for all income that he has turned over. Insist that the Grand Knight read those receipts and your deposit slips aloud during the meeting. That reading, with your full report on the council accounts, is your “monthly audit”. It is your chance to show that you are managing the accounts with great care, honesty, and accuracy

OUTGOING FUNDS PROCESS (DISBURSEMENTS) – See Financial Officer Training for more information [Financial Officer Training 2020 Video - YouTube](#)

1. **Financial Secretary prepares voucher.** In all cases, you will need a written voucher for your records. **Every check must have a voucher.** The preferred method of the Knights of Columbus Supreme office is to utilize the Member Management software. This software is not available to the Treasurer, but you must be aware of the new system. Otherwise, use the Warrant Voucher (Form 157). This is an official request for council funds. You should not fill out the vouchers yourself. By having the FS do so, you maintain the counterbalance between the two of you. Both the Treasurer and the Financial Secretary, therefore, always know about all money coming into and leaving the council.
2. **Grand Knight/Deputy Grand Knight co-signs voucher.** By signing all vouchers, and by reading all receipts and deposit slips, the Grand Knight is kept current on the financial state of the council.
3. **Trustees examine the voucher.** They will check for appropriate signatures, date, payee, and description. They will want to see original bills, sales receipts, and other documentation that justify the expense. The Trustees have the power to recommend the approval or rejection of any voucher. You should not write a check unless the Trustees have approved a voucher for that expense. There are some exceptions:
 - a. **Current Motions:** Motions should properly occur under New Business in the meeting order, placing motions after the Trustees' Report. Trustees do not need to approve a voucher on an expenditure, which has been passed at that meeting. This would only cause an unnecessary delay for the payees. In essence, the membership at the meeting is the final authority on whether or not a check is written. When the membership approves a motion to spend money, they have given their approval as “the final authority”.
 - b. **Budgeted Items:** Like motions, the council budget is approved by the membership through a resolution. Therefore, the membership has already given permission to write the check to cover the expense. Budgets will be discussed in detail later. However, it is appropriate to bring this up as a “bill”.
 - c. **Per Capita/Supreme Supplies:** Whether we like it or not, we all have to pay our taxes! No approval is necessary from anyone for Supreme or State per capita charges (or for Catholic Ad or any other



Treasurer Training Manual

assessment from above). The FS should still give you a voucher for these assessments. He is the one who will receive these bills. Notice that only supplies from Supreme should be paid in this way. Regular office supplies must have an approved voucher before a check is written.

4. **Treasurer prepares check.** Before you sign and tear the check from the ledger, be sure you have checked the following:
 - a. The check AND the stub both have a **date and amount** written and that they match.
 - b. The check AND the stub both have the **Payee and a Memo** written and that they match.
5. **Treasurer staples bill to voucher and records check number on it.** Unless your council has an established numbering system for your vouchers, consider using the check number as the voucher number. This will prove to be convenient and unambiguous for your auditors.
6. **Sign the Check.** All checks must require 2 signatures. Typically, the Treasurer and Grand Knight co-sign check. The Deputy Grand Knight should also be approved to sign checks when either the Treasurer or the Grand Knight are unavailable.
7. **Treasurer distributes the check.** The Treasurer will either hand deliver or mail ASAP after check is written. Keep a supply of return-addressed envelopes and stamps on hand.
8. **Treasurer records disbursement in Treasurer's Cash Journal** (Form 1401), or in an appropriate spreadsheet that imitates this book, and on check stub. Again, keep these records current. The Trustees will audit the above documents.

2. Monthly Bank Account Reconciliation

It's always good to reconcile the check book each and every month. When the monthly bank statement is received by the Treasurer:

1. Treasurer adds any interest into checkbook and Cash Journal
2. Treasurer checks for any unusual charges or credits and deducts or adds to checkbook.
3. Treasurer checks off all checks and deposits that have cleared.
4. Using back of statement, Treasurer writes in balance of statement in appropriate place.
5. Treasurer lists all open deposits and un-cashed checks in appropriate spots on statement.
6. Balance derived on back should agree with checkbook – if not examine amounts and additions and subtractions until amounts are found.
7. Treasurer reports all checks that have not been cashed that are beyond the legal period (usually six months) to Trustees at time of audit. Payees are to be written to see why checks have not been cashed. Check with bank to see if check has still not been cashed and if bank would honor a stale-dated check. Issue a “stop payment” if the amount is significant, but remember that the “stop payment” fees are not small, so don't request one for a small amount. If check is not found, reissue a new check to payee.
8. Technically speaking, if payee does not respond and check has not been cashed, the money should be forwarded to the State of Michigan Treasurer. (This is called escheating.)

3. Prepare for (and participate in) the Semi-Annual Audit [Semiannual Council Audit \(kofc.org\)](http://www.kofc.org)

Refer to the document [Financial Officer - How to Conduct a Council Audit \(Word\) 20.11 \(mikofc.org\)](http://www.mikofc.org) for detailed instructions on how to conduct a council audit.