

Financial Protection: Managing Your Finances

One of the issues facing Chapters and State Councils is financial management. When dealing with finances, always keep one thing in mind – **asking questions or requesting more information has nothing to do with trust. It's about doing good business and using the money entrusted to you to serve your members.** Below are two real-life scenarios. The sharing of this information is intended to educate and help you avoid these situations.

Scenario I

This Chapter gave their two delegates a stipend (full amount upfront) to attend the AORN Surgical Conference and Expo. In return, these delegates would attend Expo, represent the Chapter during voting at the House of Delegates, then give a report on their experience at the Chapter meeting following Expo.

Point of Information: One of the two delegates did not register as a delegate until just before Expo. They also didn't register for Expo until they were on-site. This same delegate did not attend the House of Delegates and was not seen by the other delegate during the entire week.

Outcome: The Chapter president developed a Delegate Policy (below), which was shared up front with anyone wishing to be a Chapter delegate.

(Note from Chapter Relations: It is recommended that **EVERY** Chapter have a delegate policy in place, either in their policies or as a separate agreement. When a stipend is being given to the Chapter delegates, **do not** give the entire amount up front and be sure to reiterate that the amount of money dispensed to the delegates is dependent on Chapter funds (no one is “entitled” to Chapter money).

Sample Delegate Policy

1. Delegate must qualify by the point system.
2. Delegate will receive a copy of delegate duties and will be required to sign a second copy agreeing to all delegate duties. The signed copy will be attached to Chapter minutes.
3. Delegates will be expected to attend Chapter meetings prior to Expo and after.
4. Delegate funds will be given to delegates no more than 60 days prior to Expo.
5. Delegates will receive ½ of funds prior to Expo, then ½ after, with proven completion of all delegate duties.
6. Delegates will receive funding as Chapter funds allow, but not 100% of expenses.
7. Delegates will be expected to provide a report on Expo and AORN Congress to the Chapter at a Chapter meeting.

Scenario II

A Chapter president got a call from their bank. Their new treasurer of approx. six weeks had been writing a \$500 check from the Chapter account every Friday and depositing it into their personal account - to the tune of more than \$2,500. After a few weeks of monitoring the activities in both accounts (both accounts were at the same bank), the bank contacted the police. The treasurer was charged with two counts of theft and one count of attempted theft. The press got involved and put an article in their local paper - **“XXX Charged with Theft from Nursing Organization.”**

Point of information: The Chapter president, president-elect, and treasurer all worked at the same facility and the treasurer was the president-elect's supervisor. To make matters worse, the treasurer was telling some of the other coworkers at their facility what had happened, openly admitting their guilt. The treasurer also confided in their nursing supervisor.

Action taken: The president contacted AORN for guidance, expressing concerns about the money, what to tell their coworkers and Chapter members, and what “not” to tell the press. After several consultations with AORN Chapter Relations, the CFO, and the AORN corporate attorney, guidelines were developed to help the Chapter through this situation.

Outcome: **The treasurer paid the money back to the Chapter, but faced potential legal implications, which included a report to the Board of Nursing.**

Good business practices for bank accounts

- Have two people on the account – Always!
 1. Treasurer - can sign checks and receives bank statement, **AND**
 2. President - signs checks and receives the bank statements
- Consider having two signatures required on checks
- Suggest looking into Director and Officers Insurance and Employee Theft Insurance
- Conduct yearly audits of accounts
 1. Audit can be done by someone outside the Chapter
 2. Treasurer is not involved – only available for questions
 3. Results from audit are brought to the entire board
- Have your treasurer prepare a monthly financial statement and send to all board members
- Have your treasurer present financial report at all Chapter meetings

In case this situation happens to you

- Remove member from the position (ask for resignation)
- Close out current account and open new account
- Contact AORN and inform them of the situation
- Develop communication strategies
 1. Designate one spokesperson for your Chapter/State Council
 2. Have “Talking Points” ready when asked about the situation
- Work relationship must be kept separate from Chapter/State Council relationship
- The police may ask you to testify, so be certain of what you want out of this situation (eg, money paid back)