

The Seneschals Guide to the Exchequer Report

**Adapted from the Calontir Seneschal's Guide – with many thanks*

So your exchequer just handed you an 18 page report, with 3 pages of bank statements and said “here, just look over this and sign the first 3 pages”.... Feeling intimidated yet? I'd be worried about you if you didn't. So, what should you look for? Are you supposed to add all this up and make sure it's correct? Are you supposed to know what all this means? But you aren't an accountant!

In the immortal words of the *Hitch Hiker's Guide to the Universe* “Don't panic”. There a list of things you can reasonably go over as the seneschal, the rest is up to the exchequer's office.

For example, as a seneschal you are not expected to re-add the reports, double check all the numbers, or verify that things are in the correct category. That's what regional treasurers are for. But regional treasurers don't know your group, except through those reports, so they have no way of knowing that there should be event/demo/heraldic income or that the group has a free meeting place and is not spending \$200 a month on Occupancy.

There is nothing mystical or mysterious about the treasurer's report and since **you, along with the treasurer, can be held legally responsible for the group's money, it behooves you to look over the report before you sign it.** To sign without checking is to circumvent one of the basic controls over SCA funds. By the way, the same thing is true for being one of the signatories of the account. By signing a check you are personally verifying that the money is being spent on something appropriate, so check receipts and know why you are signing anything!

Sometimes the treasurer and the seneschal live several miles apart and may only get together at meetings. Even though it may take several minutes to go over the reports (which cuts into meeting time), do not allow yourself to be rushed into signing any report you don't understand. If the treasurer really needs to file his or her report, here are some options:

Option #1 Tell the treasurer that you will take the reports home with you (both the treasurer's copy and the copy for the regional deputy) and you will sign and mail both reports when you have had a chance to look over the figures. (You must then actually check and mail the report.)

Option #2 Call the Regional Treasurer and ask for an extension **BEFORE** the report is late! You may be able to receive an extension for review. Permission is MUCH easier than forgiveness. In Atlantia if your Q4 or Doomsday report is late, your group is suspended! If you have 2 or more reports late, your group could be suspended, so communication is key here. If the officers involved all work together then it will all be copasetic.

A preliminary list of things to check follows. Please use common sense, every group has different things that go on and no short general guide can cover everything. For a long detailed guide, see the Exchequers Handbook. - Common sense also means to be willing to question things that seem odd, and be willing to keep questioning.

1) Are the bank statements present (3 months worth of copies with each quarter) and reconciled?

The regional treasurer won't accept the report without the bank statements, and neither should you. The final balance on the last statement of the quarter should (after reconciliation with the checkbook) match Line 1 and/or 2 of the Comparative Balance Sheet.

2) Is the report balanced?

At the bottom of the Comparative Balance Sheet are two numbers, Change in Net Worth and Net Income. These numbers **must** match (difference of -0-), if they don't, the report is incomplete and incorrect.

3) Does the activity on the Income Statement match your group's activity?

If your group had an event/demo in the quarter, is the income on the report? Are there a lot of expenses when your group was fairly quiet?

4) Do the transactions on the bank statements match the reports?

- a) If there is income on the report, are there deposits on the statements?
- b) Are the checks written for appropriate amounts? It is unusual for many checks for supplies or food to be even dollar amounts. Several checks to Wal-Mart for even dollar amounts should raise warning flags. Receipts should be checked (and whoever countersigned the check should be checking them also.)

5) Is there cash on hand?

On the Cash Reconciliation Worksheet, the line at the very bottom is for "Cash on Hand". This is a rarity, it would happen when:

- a. Event was held right at the end of the quarter (like it starts in one quarter and ends in the next) and money is not yet deposited.
- b. Treasurer received notice at the end of the quarter that another officer, authorized to accept money for the group (herald, seneschal, chronicler, it varies from group to group) has cash.

Unacceptable reasons for cash on hand:

- a) Petty Cash fund – We don't "do" petty cash! Having an ongoing petty cash fund is strongly discouraged by the SCA and is banned by several Kingdoms, ours is one of them! A moment's thought will reveal the reason. If someone in your group is convinced that there must be a petty cash fund, then let them fund the thing and the SCA will reimburse the (non-SCA) fund upon presentation of valid, properly presented and approved receipts.
- b) Cash from activity undeposited because it just hasn't gotten done. Deposits need to be made as soon as possible. If there are difficulties, the treasurer can have a deputy just to deposit money, or the seneschal or any other officer could take the money to the bank, but it must be deposited **as soon as possible** after we receive it.

ALL CASH SHOULD BE DEPOSITED AS SOON AS POSSIBLE.

It is an unacceptable liability to have SCA money outside a bank for extended periods.

6) Check the Property Worksheets for accuracy.

Look over the property worksheets, both depreciable and non-depreciable (regalia) to see if they are up to date. The treasurer may not have heard about the accidental destruction of the coronets/computer/pavilion.

Also, twice a year, an inventory of everything your group owns (items not kept on the 15 page worksheets) is required to be sent in with the report. This is a list of EVERYTHING your group owns. All the banners, silverware, pitchers, tourney fences, cookware and toilet paper. Anything you all have ever bought with your group checkbook. Your exchequer is in charge of keeping up with the inventory or having a deputy who does this. They don't have to store the items but know where the items are stored. Some groups keep this list as a word document, some have it as an excel list, some have it in a ledger book and Xerox the pages. It doesn't matter how it's done, just that is accurate and done twice a year (with the appropriate changes noted) and sent in with the report.

7) Check the Comparative Balance Worksheet

Receivables are money that is owed to your group. The most common entry here is for bad checks. The person who wrote the bad check owes your group both the amount of the check PLUS any bank fees the group incurred.

Bad Check steps:

- I ask that the exchequers follow the Exchequer's Handbook Appendix for handling NSF checks.
- As soon as notice is received from the bank, the exchequer will make a phone call to the person to let them know where to send the money and what the total due *is with bank fees*. Most SCA bad checks are solved at this point.
- If further action is needed, the exchequer will send a letter and carbon copy the seneschal.
- If you get a letter, put it in your file, this is for your information only. Do not make announcements about it in your meetings. Do not record names in your newsletters of bad debtors. Please be discreet.
- NSF checks and bank fees will be placed on the exchequer report as a Receivable until the amount is cleared (paid off or so old we have to write it off as a loss).

So as you can see, there is a lot you can do as seneschal to watch over the health of your group's finances.

I would also remind you all to NEVER SIGN A BLANK CHECK! You would never do this with your own check books, don't do this with your group's checkbook. Don't sign a check unless it says who it's too and what the amount is. Don't sign the check unless it is an approved expense or cash advance (I recommend the exchequer's use the "Cash Advance Request Form" with the check). If you are unsure, check your group's financial policy. If you are still unsure, then wait and ask! You are the group's legal representative, please don't do things financially that you are uncomfortable with.

If you have questions, ask your exchequer, check with the Regional Exchequer or ask the Kingdom Exchequer, we are all here to help!