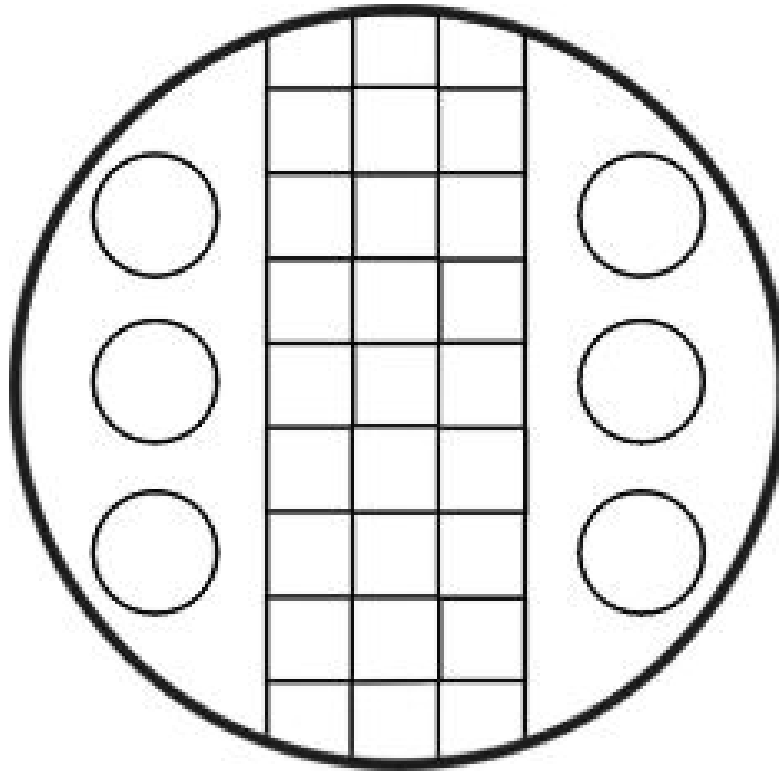


The Society for Creative Anachronism, Inc.



Chancellor of the Exchequer
Branch Officer's Reference Handbook
October 2007

Chancellor of the Exchequer Branch Officer's Reference Handbook 2007 Edition

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Printed copies of this document can be ordered from SCA Marketplace, PO Box 360789, Milpitas, CA 95036-0789

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INTRODUCTION

Welcome to the Society for Creative Anachronism, Inc. (hereafter referred to as 'SCA'), and the world of financial reporting. The Society for Creative Anachronism, Inc. is incorporated in the United States of America in the State of California. Affiliated organizations with branches exist in other parts of the world, such as in Australia, Finland and New Zealand. Some branches throughout the world are also a part of separate organizations incorporated under the rules of countries outside the United States, such as in Canada. This book covers financial procedures for any part of the SCA, and does not apply to affiliated organizations.

THE OFFICE OF THE CHANCELLOR OF THE EXCHEQUER

The Society has a system of financial reporting in which all parts of the organization participate. The person in charge of financial reporting for any part of the Society is known as the Chancellor of the Exchequer, which is a period term for Treasurer. Current paid membership in the Society for Creative Anachronism, Inc. is a requirement of this office.

Holding the Office of Chancellor of the Exchequer is not nearly as daunting as it may initially seem. Common sense rules apply to everything. 99.9% of anything you will be doing is covered in this handbook, and your superior officers are there to help you with the other 0.1%.

The duties of the Chancellor of the Exchequer are best summarized as:

- Take care of the money. Try to be frugal.
- Don't put the SCA's money into your own account, or allow the SCA's money to be put in anyone else's account.
- Be honest, courteous, responsible, and honorable in your dealings with everyone, including the populace, your superior officers, any subordinate officers, and the modern world.
- Make sure everyone is kept informed about the status of the branch's money and equipment.
- Prepare from the first day of the year to be ready to fill out the financial reports at the end of the year.
- Only give the money out by check, and only after you have received receipts or carefully signed paperwork, because you're answerable for the money.
- When there is a problem, use Common Sense. Don't be afraid ask for help, too.
- Don't be afraid to change your mind, either because of advice or despite it.
- Remember that it's okay to say 'no' if the rules say you have to. Expenses must be allowable, but they don't always have to be desirable.
- There is almost always an allowable way to do something. The trick is to avoid the unallowable ways.
- Never lose your sense of humor – for very long anyway.

The U.S. Internal Revenue Service (IRS) classifies the United States Society for Creative Anachronism, Inc. as 501(c)(3), a nonprofit educational organization. To maintain this status, the IRS requires annual financial reports from 501 class corporations using IRS form 990, due May 15 of each year.

WHY IS A CHANCELLOR OF THE EXCHEQUER NECESSARY?

It has been noted that there are some areas of the SCA where there is a difficulty finding and retaining competent exchequers. Here is just how easy and cool and nifty it really IS to be an exchequer!

1) It is an HONOR to be an exchequer. You are being trusted with commonly held assets, trusted to manage those assets correctly, trusted to keep the records of those assets so that anyone else could understand the branch's finances, and trusted to report back to the group accurately the use of assets by the group. **Good exchequers should be respected!**

2) The office of exchequer is the second-most important office in the group, second only to the position of Seneschal. Branches that don't have money don't thrive. Branches that don't use their money effectively stagnate. Branches that let their assets decay from misuse or neglect don't last long. **Good exchequers help keep branches healthy!**

3) The office of exchequer is instrumental in branch decision making because almost every decision a branch makes involves an asset of some kind, usually cash. The Exchequer provides information for proposals can we afford to do X with what we have? How do we estimate a budget so we cannot lose money on this activity? What were the budgets for the last three events of that kind that we held so we can start there for the budget for this year's event? etc. **Good exchequers help direct branch activity!**

4) The office of exchequer is essential to keeping the branch out of financial trouble by making sure that any transaction follows the rules. They don't have to approve every transaction; they just have to make sure they're allowable. The finance committee (which includes the exchequer) decides approvals of transactions once the exchequer says they are allowable. BUT, the exchequer is the first gate for any transaction to screen out the transactions that would get a branch in trouble. **Good exchequers keep the branch out of financial trouble!**

5) The office of exchequer is interesting you get to know about all the activities of the branch, see all the cool things people do, and help them find ways to do more cool and interesting things with the branch funds, as well as try to increase the branch funds for the benefit of all. **Anyone who helps a branch find ways to earn more money to do more stuff should be considered a hero!**

6) A successful tenure as exchequer can be used on a résumé to show trustworthiness for being a treasurer for a branch of an international non-profit organization. **This office can be good for your career!**

7) The office of exchequer is the EASIEST office in this organization to hold. Really! Here's why:

- a) The reports are all templates - and now even easier to use. No other office in this organization is set up where your entire report is basically fill in the blanks, and you can see right away if the report is acceptable because it balances.
- b) The rules are based on things that you would use in your modern life. The duties of this office (balancing a checkbook, etc.) all are the same as duties you need to perform for yourself anyway. No specialized skills or knowledge required.
- c) The rules are 99.9% black and white, pretty clearly laid out, and easily accessible. The rules are based on common sense. If the rules say NO, then the answer is NO every time. The exchequer determines whether a transaction is allowable.
- d) The decisions regarding allowable transactions (once they are ruled allowable) are **shared** with others in the branch - so no one person has to own the responsibility of saying yes to spending decisions using community property on their own. This is the purpose of the financial committees from the Society down to the branch levels. The exchequer can veto unilaterally based on the expense being against the rules, but once the transaction is said to be allowable, then a **team** determines desirability.

Therefore, it is easy, cool and nifty to be an exchequer!

PURPOSE OF THIS HANDBOOK

The methods and procedures described in this handbook are designed to comply with the rules and regulations of the organization as laid out in the Governing Documents and Society Branch Financial Policy in as straightforward a manner as possible.

The Society has in place a Financial Policy that regulates how the money is managed by branches and other sub-groups. Kingdoms must have additional financial policies which apply specifically to the kingdom and its branches. Branches can have specific policies that apply to that Branch.

SCOPE OF THIS HANDBOOK

This handbook covers the procedures used by branches of the Society for Creative Anachronism, Inc. This handbook does not cover affiliate corporations. All branches are assumed to be part of the Society for Creative Anachronism, Inc. until proven otherwise.

Corpora, By-Laws, Society Branch Financial Policy and Society Exchequer Policies in effect are published separately, and are available from the Corporate Office, or on the SCA's website, <http://www.sca.org>. These rules are referenced throughout this handbook. Check with your Kingdom Exchequer for the most recent version.

In all cases, the official policy currently in effect overrules any instructions contained in this handbook.

HOW TO USE THIS HANDBOOK

Use this handbook mainly as a **reference**. We know this is a large book, but most reference books are. They contain the same information in several places as it relates to the topic at hand. It is a good idea to read Chapters 1, 4 and 7 when you accept the office. When in doubt, consult the handbook. If you are still unsure, contact your superior officer. Otherwise, your common sense should suffice.

If, after reading this handbook, you find something missing, or a better way to describe some procedure, or basically anything that you think would help someone else, please contact your superior officer. This handbook will be updated periodically, and all contributions are welcome.

The office of Exchequer can be one of the most fun jobs in the Society. As an Exchequer in our Society, you are a very important part of the official corporate structure of the SCA, and your services are truly appreciated!

CONTENTS OF THIS HANDBOOK

This handbook describes the duties of the Chancellor of the Exchequer (or more commonly, Exchequer), and common procedures for performing those duties. Exchequers need not be accountants, but they should possess the basic skills required to balance a checkbook.

Some places in this handbook will use terms like 'sufficient', 'approximate', etc. In these cases, it would be impossible to account for every possibility or circumstance, so we won't try. Here, the Exchequer is expected to use their own best judgment, although they can still contact their superior officer for guidance when desired.

Where official policy is stated or referenced, the actual citation will be included to assist the reader in finding the actual text of the policy.

All the standardized forms used by the SCA at the time of publication are available on the SCA's website, <http://www.sca.org>, in the Society Exchequer section, or via email from the Society Exchequer at exchequer@sca.org.

The Financial Report Packet forms must be used in the format presented. All forms with the SCA escutcheon on the upper left corner are Society-required forms.

FORMAT CONVENTIONS

Report form names are in **bold**; lines on the reports are in *italics*.

We will use the term ‘branch’ to mean the part of the SCA for which a report is prepared or from which you are receiving a report. This can be a regular branch, or it can be a special account managed by a deputy to the Kingdom Exchequer.

In citations, “Society Financial Policy” is abbreviated **SFP**, and “Society for Creative Anachronism, Inc. Corporate Policies” are abbreviated **CP**.

CHAPTER 1: BASIC RESPONSIBILITIES

Congratulations! Your branch or guild (people who know you and work with you on a regular basis) has deemed you a trustworthy and responsible person. They consider you capable of managing the assets belonging to that branch, guild, newsletter, or office. That is something of which you should be proud.

Remember that this is a job with legal responsibilities. You risk prosecution if you are found to have falsified records or embezzled money (basically, personal use of corporate funds). However, everyone who takes this office is assumed to be capable and trustworthy.

This chapter is designed to familiarize you with your new office. Please read it thoroughly when you are asked to take office. Afterwards, you should only need to refer to it occasionally. If you have any questions that this handbook does not answer to your satisfaction, contact your Kingdom Exchequer for guidance. If there is some problem with a procedure due to the unique nature of your branch or local laws, the Kingdom Chancellor of the Exchequer may grant written variances to established policy. Submit your request for a variance in writing, describing your situation, what isn't working, and what you think would be an acceptable solution.

It's not an overwhelming job if you keep on top of it.

I. ORGANIZATIONAL DEFINITIONS

Exchequers are not entities in and of themselves. They are part of the structure of the Society for Creative Anachronism, Inc., which is further separated into smaller sub-organizations, known as geographic branches. Geographic branches are defined in Corpora III.C. The financial officer for geographic branches is known as the Chancellor of the Exchequer, or, more commonly, Exchequer.

Geographic branches known as Kingdoms may specify other smaller sub-organizations known as Guilds, group other smaller geographic branches into sub-organizations known as Principalities, or appoint special purpose deputies to handle some part of the Kingdom's assets. The Society or Kingdom Exchequer may also appoint special purpose deputies to handle other special accounts, such as War Events.

Geographic branches and guilds may have newsletters. Principalities may have their newsletter finances handled separately from the Kingdom or Principality fund - all other geographic branches and guilds must have the newsletter finances handled by that branch's Exchequer unless the Kingdom Exchequer grants a written variance.

Sometimes, special purpose newsletters (heraldic, A&S, etc.) exist, and the Kingdom or Society Exchequer may appoint a special deputy to manage the finances for that newsletter. This deputy may or may not also be the Chronicler in charge of producing that newsletter, but the Kingdom or Society Exchequer will need to know who they are so that a proper financial warrant may be issued.

In summary, an Exchequer can be one of the following:

- a. *Either an officer in a branch or guild*
- b. *A Chronicler or Deputy Chronicler in charge of a Kingdom, Principality, Guild, or special newsletter*
- c. *A special deputy to the Society or Kingdom Chancellor of the Exchequer.*

More specific organizational definitions are:

Branches are the geographic or institutional sub-organizations of the Society for Creative Anachronism, Inc. as defined by Corpora III.C: Kingdoms, Principalities, Provinces, Baronies, Shires, Cantons, Colleges, Strongholds and Ports. Additional Kingdom Exchequer duties are covered in Chapter 2 and in the Kingdom Exchequer Handbook. Branch newsletters are financed through the branch account, unless there is a written variance from the Kingdom Exchequer. This is described in Chapter 6.

Guilds are organizations that may be recognized within a kingdom (i.e., chartered) as having permission to hold and use funds according to Society and Kingdom Financial Policy. Guilds have guild principals, which may be considered as equivalent to a branch Seneschal. Therefore, any guild that has permission to hold funds should have someone other than the guild principal appointed as its Exchequer. The Kingdom Exchequer may grant variances to this section of the policy in writing. Guilds may have newsletters, which would be funded through the Guild account.

Newsletters that may have separate Exchequers are Principality newsletters, regional newsletters, and branch or guild newsletters with special permission to have a separate account. (Kingdom Newsletters are treated separately, and report directly to the Society Exchequer.) Permission to open a separate account for a newsletter must be obtained in writing from the Kingdom Exchequer. The Principality or Regional Seneschal, or the guild principal, fulfills the role of local person as specified in SFP II.B.

Special deputies to either the Kingdom or Society Exchequer include Kingdom Heralds and other Kingdom Level Officers who manage funds, War and other special event accounts, Kingdom Stock Clerks, Royal Chamberlains, and any other special functions not covered by the above categories.

Entities are defined to be all of these things in general. Wherever it says ‘Entity’, read whatever your designation is: branch, guild, etc.

The **Populace** is defined to be the people in your branch or guild (regardless of their membership status in the SCA) whose money is entrusted to your keeping. (Populous is a condition of being peopled. Lands may have populace, or be populous.)

II. STATED RULES TO HOLD OFFICE

The following are the stated rules for holding the office of Chancellor of the Exchequer. Any additional training or experience is a plus, but not necessary to the satisfactory performance of the office’s duties.

A. Membership

You must be, and remain, a paid national member of the SCA or an affiliated organization in good standing. (SFP II.A)

B. Age

You must be at the least the age of majority in your place of residence.-The Kingdom Exchequer approving must know your age before approval. (CP II.C.2)

C. Access

You must receive your Kingdom’s newsletter at your place of residence. This is to ensure that you have access to any news, changes in Kingdom Law, and changes to policy or procedure distributed via the Kingdom Newsletter. If you don’t hold a national membership that includes a Kingdom Newsletter (like Associate or Family), someone else at your home must. (Corpora I.D.2, VII.K.3)

D. Approval

You must be acceptable to the Crown and Kingdom Exchequer. The Crown and the Kingdom Exchequer sign the warrants for Exchequers within that Kingdom, including Deputy Kingdom Exchequers. (Corpora VII.K.1)

E. No Other Offices

You must not also hold the office of Seneschal of a branch or Guild principal of a guild unless you have a written variance from the Kingdom Exchequer. (SFP III.B)

It is strongly suggested that you not hold any other office in your kingdom. This office entails significant responsibilities. Holding other offices may become too much work, or create a conflict of interest.

F. Separate Place of Residence

You must not live at the same address as any other signatory on the accounts you manage. (SFP II.D)

G. Non-Royalty

Royalty (King, Queen, Prince, Princess, Heir, or Heiress) may hold no other office during their reign. (Corpora IV.G.8) Royalty may not be listed as signatories on any account. (SFP II.F) Royalty is defined as Sovereign, Consort, or Heir. This means that Kings, Queens, Princes, Princesses, and Principality Heirs may **not** be a signatory on any Society account while they are so titled.

If you, as an Exchequer, are entering a Crown tournament, you should have designated a successor who is acceptable to the Kingdom Exchequer and the Crown and ready to serve. If you win, then you can transfer the office in an orderly fashion, and immediately remove your name from all accounts that list you as a signatory.

H. Non-Landed-Baronage

Non-Landed Barons and Baronesses (also known as Court Barons and Baronesses) may be Exchequers. Territorial Barons and Baronesses may not be Exchequers (Corpora V.B.4).

III. ADDITIONAL REQUIREMENTS TO HOLD OFFICE

A. Responsibility

You must be willing to be responsible for the financial activity of your branch, including but not limited to:

- Receiving and disbursing funds as approved by Society and Kingdom Policy and the branch Financial Committee;
- Denying funds for improper and unapproved expenses;
- Keeping accurate records of the branch’s assets and accounts;
- Keeping track of and maintaining the branch’s non-cash assets;
- Communicating frequently with the Kingdom exchequer;
- Communicating as needed with the branch Seneschal, and
- Submitting and publishing required financial reports as they come due.

These requirements are listed so that only those who want the job will take it. People who don't want the job usually don't do very well for very long. Both the Request for Warrant form and the Financial Warrant Form have a list of responsibilities included. Anyone taking this office needs to be aware of these responsibilities, and accept them willingly.

B. Neutrality

You must be willing to work with people, no matter who they are, and stay out of personality conflicts. No one gets along with absolutely everyone else all the time, but you must be willing to at least be civil with everyone. Money can be a political tool if used improperly, and we must minimize opportunities for accusations of "playing favorites" with the money.

C. Willingness to Learn and Follow the Rules

You must be willing to learn and understand the policies and procedures for financial accounting used by the Society and your Kingdom, and willing to teach them to your deputies and successor.

This is to encourage everyone who takes this office to know how to perform the duties required by this office, and to pass that knowledge on to their successors. Handbooks, even this one, are no substitute for one-on-one teaching.

The person who is responsible for enforcing the rules must also know the rules.

D. Training

Some Kingdoms require that a class be taken before a warrant may be issued. Contact your Kingdom Exchequer for more information.

IV. WARRANTS

A. What Is a Warrant

A warrant is certification by the Kingdom Exchequer and Crown acknowledging your acceptability to perform the duties assigned to you for a period of time. It is also a legal document affirming your relationship with the Society for Creative Anachronism, Inc. When you are warranted, you have been assigned the responsibility to carry out the duties of the office for a period of time.

A warrant may be issued by the Kingdom Exchequer and the Crown at any time for branch exchequers and deputies, singly or by roster. There is usually a limit on the number of times a warrant may be renewed, but this varies by kingdom. Warrants normally last for two or three years with options to extend year-by-year.

There are two types of warrant: formal and roster. Both are just means of showing endorsement to hold office – and one person can be on a roster warrant and have a copy of the formal warrant at the same time.

1. Formal

Formal warrants use the form that is in Corpora Appendix B. Exchequers use the Financial Warrant. These warrants are one to a person. The format is such that it looks official, outlines the rights and responsibilities, and can be shown to people outside the organization as an official document.

2. Roster

Roster warrants are a document that list the office and term, contain the required signatures, and then list contact information for every person that fits that office for their branch. These forms wouldn't be shown to people outside the organization as an official document.

If roster warrants are used and a person is dropped from the roster warrant, that person must be notified in writing that they are no longer listed on the roster warrant.

B. When Are Warrants Used

If the office changed hands before a warrant could be signed by all parties, this office is taken on a temporary basis not to exceed three months. During this time, the officer is styled as "Acting" Exchequer.

Warrants must be applied for within 30 days of agreeing to take the office, preferably before the office changes hands. There is a Request for Warrant Form available on the SCA website for requesting a warrant, or your Kingdom may have a specific form they use. Please fill out the standard Request for Warrant form completely, attach the information requested, and send in to the Kingdom Exchequer. It is important that you either obtain a copy of your warrant, or that you confirm that you are on the Kingdom Exchequer's roster of warranted Exchequers. The warrant is important - if you don't have one, it's possible that the Directors and Officers liability insurance may not cover you for all your actions undertaken in office. Also, you may need a Warrant when dealing with banks.

The following information is requested on the form: Identity, Verification, and Endorsement.

1. Identity

Legal (modern) name, home address, mailing address (if different), and home and/or work phone numbers are required on the warrant form. Work phone number and e-mail address are optional. This information is not normally distributed except to officers and royalty.

2. Verification

We need verification that you are who you say you are. If your state or province prohibits copying these documents, then have someone else witness the information and sign that they are witnessing the ID. Your local copy shops should know the rules regarding copying IDs in that state.

3. Endorsement

We need to know that the Seneschal and anyone else required by your kingdom law and policy are willing to have you as one of their fellow officers. A letter accompanying the warrant request form will show this.

V. FIRST DUTIES WHEN ASSUMING OFFICE

The first thing you should do, after you agree to take the office, is apply for a warrant. Fill out a Request for Warrant form (one is available at www.sca.org on the Society Exchequer's page), get the required signatures or other letters, and send them in to the Kingdom Exchequer.

The second thing you should do is go through the records. Organize them to your liking or leave them organized as they are, but understand the method. If a financial review wasn't done prior to your taking office, arrange with your Kingdom Exchequer to have one done as soon as possible.

The third thing you should do is find the most recent completed report, and try to do a report for the same time period from the books. Compare what you did to the actual report. If it's different, find out why (what you missed, or what the filed report missed). It's good practice for using the report forms.

VI. REGULAR DUTIES

Regular duties include: managing the assets which have been entrusted to your keeping - including funds, assets, and files; informing the branch of the status of the branch's money through standard reports; informing the populace of the status of branch accounts via branch newsletters or websites; reimbursing approved valid receipts; and protecting the tax-exempt status that the SCA currently enjoys.

Other less well-known or acknowledged duties include preserving the reputation of the Society by seeing that any debts incurred are recovered promptly; managing investigations into misappropriation of funds; imposing sanctions when appropriate and necessary; and answering any questions regarding proper financial activity and reporting. Recovering debts is covered in Chapter 11; investigations are covered in Chapter 12; and sanctions are covered in Chapter 13.

The following procedures are designed to make your life easier, rather than harder. It takes more effort to guess than it does to follow established guidelines. Above all, use your common sense.

A. Managing Branch Assets and Accounts

Branch money is kept in bank accounts. Managing cash and non-cash assets is covered in Chapter 4. Branches may also have non-cash assets, covered in Chapter 5.

Branches may have other accounts as well, such as safety deposit boxes, or arrangements with storage companies. Treat safety deposit box accounts as any other two signatory accounts.

Only signatories may sign checks. There is a difference between filling out the deposit slips and actually delivering the deposit to the bank. Ideally, the exchequer should put together the deposit package with the completed deposit slip. If not, a signatory should do so. Actually bringing the deposit to the bank should also be done by a signatory. Some banks will not accept deposits from someone who is not a signatory, especially for large cash deposits.

1. Investment Planning

Most branches don't have large amounts of money. In order to take advantage of an excess of money, it should be invested to realize a return on the investment. There are several options available from banks, including savings accounts, CDs and money market accounts. Investment in stocks is not allowed without written approval from the Treasurer and/or President of the SCA, Inc., as the risk to the principal is higher than any investment instrument offered by a bank and the principal is not FDIC protected. All funds are to be kept in banks in recognized banking institutions. (SFP IV.A)

First, figure out how much cash you need to keep in the checking account to do business. Frequent movements between investments and checking to pay the bills will remove the interest opportunity and perhaps cause extra fees to be charged. Try to keep an amount equal or greater to the amount of ordinary expenses paid in a quarter or half year period in the checking account so that if you need to pull funds from investments, it would have to be quarterly or semi-annually, and you can plan for when your investments may become available to coincide with these time periods.

a. Savings

Most savings accounts don't offer much interest unless there is a sizeable principal. This should be used to hold funds that need to be kept available at all times. Chances are that getting a checking account that pays interest would be a better bet, but it is worth noting as an option.

b. Certificate of Deposit (CD)

CDs are very popular as forms for saving money. Longer term CDs for larger amounts of money pay higher yields in interest. One popular method is to have half of the total amount to invest in annual CDs with high yields, and the rest in semi-annual or 3 month CDs that have staggering maturity dates. This way, every three or six months there is an opportunity to pull funds from a CD coming due without penalty.

c. Money Market

Banks have different forms of money market accounts – some treat them like high-yield checking accounts, and others treat them more like CDs. Investigate whether these investments would fit your branch's need and not cause undue charges if funds need to be removed at any time.

2. Budgeting

Some branches are definitely large enough to require annual operational budget planning. Each event should have a pre-approved budget. Operational budgets need to be developed during the fourth quarter for the next calendar year. Here are some suggested ways for developing budgets. Once approved, budgets should be published to the populace in some manner, either in the branch newsletter, or on the branch website.

a. Income

Most branches depend on event profit or expected demo income to fund their branch for the year. Make sure that when you are planning events that any expected profit is built into the budget to make sure that it is part of the targeted income when setting site fees.

b. Expenses

Most branches spend most of their operating expense money on office supplies each year. Some branches also allocate funds for their officers to travel to kingdom training events.

i. Officer Travel

Officer travel funds are usually easy – if a branch wants to pay for their officers to travel to events they are required to attend (such as to required officer training), the branch can determine how much they're willing to contribute to that required travel and allocate that much. One-way to estimate this expense is to figure average round-trip driving distance at \$0.14 per mile.

B. Communication

It is *crucially* important that you communicate well and often with your superior officers, and also with your fellow branch officers. Lapses in communication always result in less-than-fortunate circumstances, and only make you look bad. Too much communication is more often better than not enough. Here are some tools that assist with keeping the Kingdom Exchequer and your fellow branch officers informed.

1. Kingdom-specific Exchequer Email lists

The Kingdom Exchequer may maintain an email list of all branch and deputy Exchequers, as well as other knowledgeable people as he or she sees fit. This list will be used to disseminate news from the Kingdom Exchequer, as well as for questions from the Kingdom Exchequer to help determine the best path or policy for certain situations. You can use this list to post questions so that others may comment and help you find a solution. If you have a question that is confidential, you can still email the Kingdom Exchequer personally.

2. Officers' Meetings

You should make every attempt to attend such meetings of the branch Officers as may be held during their term. There may also be meetings of the branch Financial Committee, and these should be attended as well.

3. With the Kingdom Exchequer

You should contact and inform the Kingdom Exchequer of any issues arising regarding misappropriation of funds immediately after a problem is discovered. The Kingdom Exchequer updates the Society Exchequer, who includes a section in their quarterly report to the Board detailing the status of ongoing investigations so being ahead of the game and sending it in a few days before the report to the Board is due (the end of the calendar quarter) will be greatly appreciated.

C. Creating Advances of Funds

When someone presents you with a request for funds, first make sure the Financial Committee approved the expense, either individually or as part of a budget. If not, present it to the Financial Committee. They may approve it after the fact, or reject it. Make sure that the estimated costs look reasonable.

Some Kingdoms have specialized advance request forms with places for signatures on the forms. If not, consider creating one.

D. Reimbursing Receipts

When someone presents you with a receipt, first make sure the Financial Committee approved the expense, either individually or as part of a budget. If not, present it to the Financial Committee. They may approve it after the fact, or reject it. Original receipts are preferred; copies of receipts are acceptable if no originals are available; cancelled checks or credit card statements may be used only as a last resort with an additional signed statement of what the expense was and why there is no receipt. Use a Cash Voucher / Reimbursement Request Form to help organize these requests.

If the expense was approved, then attach a reimbursement request to the receipts if one isn't already attached, write on the form what it was for, the fund it is being paid from, the date reimbursed, and the check number. Receipts that get reimbursed on the same check for the same type of expense (or from the same fund) may be combined in order to reduce checks used. Some Kingdoms have specialized reimbursement request forms with places for signatures on the forms.

If the receipts are attached to a Cash Advance Request Form, write on the form the date the advance was reconciled.

E. Creating Receipts

When we receive money of any kind, we should at minimum give a receipt to the donor. A receipt book should be present at the gate of all events to provide receipts for those who request them. There is a suggested Acknowledgement of Donation & Receipt form available on the Society Exchequer's website at www.sca.org for direct donations, although any receipt will do as long as the following information is included: donor contact information, recipient contact information, and donation description. There is also a letter template available on the Society Exchequer's website at www.sca.org, which thanks the donor for the donation. The more grateful we are, the more we will be likely to get repeat donations.

NOTE: The donor provides the value for any non-cash donations.

There is no penalty for failing to provide written acknowledgement for contributions. However, the easier we make it for people to donate, the more donations we will receive.

F. Keeping Records

In order for someone to pick up the office when you leave, you must keep orderly files. You are also required by modern law to keep accurate, up-to-date records of all financial transactions. If you keep your records on a computer system, **make sure that you regularly make and keep hard copy, and electronic backups.**

Remember that these records are public, and anyone can request to see them at any time. Schedule an appointment with a person who makes such a request, and keep it. You don't have to meet with them alone, you can bring along your Seneschal for backup. If the situation becomes hard to handle, refer them to your superior officer for arbitration. Constant reports to the branch on the financial status will go a long way towards preventing these kinds of situations.

There are six items you need to keep in the files: Transaction Records, Reimbursed Receipts, Copies of Filed Reports, Bank Statements, Financial Committee meeting minutes or notes, and Correspondence.

If your Kingdom maintains a web server or some other sort of central data store, copy your electronic files there periodically as an additional backup.

1. Transaction Record

The easiest way to maintain a transaction record is by using accounting package software or by hand in a columnar spreadsheet. A checkbook register is a much-reduced version of a columnar spreadsheet.

2. Reimbursed Receipts

You may choose to keep track of reimbursed receipts by placing them in envelopes for each time period (such as quarter, or year, depending on activity level), or by fund, or both (mark duplicate receipts as such). Clip together receipts that were reimbursed in the same check with information on the check issued, such as on an advance request form or a funds request or cash voucher form. Keep all receipts for seven years. Event receipts may be kept separately to assist future event planning. Mark each file or envelope with the time period.

3. Copies of Filed Reports

Keep copies of all the reports you have filed for at least seven years. This is for historical purposes, and also in case the report gets lost in the mail. Your Seneschal will also have copies in case yours gets lost or destroyed (because you have been giving them copies). Also keep copies of any Transfer Forms you have sent out for the previous and current year.

4. Bank Statements

Keep all the bank statements in your files (only send copies with your reports). Also keep any other correspondence with the bank, such as bounced check notices, change in account notices, etc. If you use additional paperwork when reconciling the account, keep it with the bank statements in your files for easy access.

5. Financial Committee meeting minutes or notes

Keep all the meeting minutes or notes from the Financial Committee meetings to prove approval of any expense or other activity. If transactions are approved via email, print out the emails as proof of decision and put them in the files.

6. Correspondence

It is a good idea to keep copies of all correspondence you send or receive for historical reasons. This includes your Request for Warrant form, your Warrant, and printouts of any emails dealing with the office.

G. Participating in Reviews of Books

When you take the office, when you leave the office, and at least every two years in between, the books need to be formally reviewed. This process compares the branch books and your office procedures to current policy in effect. This process is meant solely to ensure compliance with policy. Successful reviews reflect full compliance with policy.

H. Compliance with Corporate Requirements

Whenever there is a requirement for branches to comply with a corporate requirement, the Kingdom Exchequer is responsible for ensuring that compliance. The Kingdom Exchequer will let the branch exchequer know what the requirements are for any corporate procedures.

For example, if there is an event surcharge in effect, such as a Non-Member Surcharge (NMS), you should send copies of any forms used to report those surcharges as directed by the Kingdom Exchequer.

Any event held by a branch of the SCA, Inc. where there is a charge for attending will collect a non-member surcharge of US\$3 or CDN\$4. All branches are to collect this fee from anyone entering the event that cannot prove membership in the SCA or an affiliated organization. This fee is then sent with event attendance information to the Kingdom Exchequer or their designated deputy. Each quarter a report listing the events and attendance, along with a check made out to 'SCA, Inc.', is due to the Corporate Office in Milpitas. See Chapters 8 and 9 for more information.

I. Deputies

Deputies are people that you appoint to help you carry out the duties of your office. You are still responsible for making sure that those duties get performed, even if you don't do the work yourself. The Kingdom Exchequer warrants your deputies.

It is required that you have an emergency deputy (someone who can take over for you in case you suddenly become unavailable for a period of time). If there is no emergency deputy, the responsibility for arranging for reporting falls to the Seneschal until they can find a replacement Exchequer. It is also your responsibility to train a successor to the best of your ability. This handbook is intended to help with training all branch exchequers. The emergency deputy may also be your successor. This person should be able to understand your bookkeeping system and take over for you if you must suddenly leave the office. Having a deputy also gives you someone to talk with about financial issues.

You may want to recruit additional deputies and assign them to specific tasks. Common examples are: Chamberlains (who take care of regalia), Equipment Masters (who take care of the branch's equipment, usually storage and maintenance), and Stock Clerks (who take care of inventory).

It is common for the branch's chatelaine or gold key to keep some branch equipment such as loaner garb or feast gear, but they don't necessarily need financial warrants. People in charge of the non-cash assets don't necessarily have to store the equipment; just keep track of where it is and its condition. They also usually arrange for the equipment to appear when and where needed, and to go back into storage after use.

Remember, the responsibility for fulfilling the duties of the office of the Exchequer rests with you and not with your deputy. You can delegate the work, but not the obligation that you assumed when you accepted the office.

VII. FINANCIAL REPORTS

The U.S. Internal Revenue Service requires yearly reports. The Society requires quarterly reports be completed in order to document transactions, and to help find any problems before the end-of-year. The annual report is called the 'Domesday' report. Your branch's report will be added to the rest of the branch reports, and U.S. branch information is submitted to the U.S. IRS. The Society requires reports from all branches except from those part of an affiliate organization (at this time the affiliates consist of Finland, New Zealand and Australia).

The Society has standardized forms to be used for the quarterly and Domesday reports, called The Financial Report Packet. Directions for completing the forms are in Chapter 7. Printable forms and Excel form templates are available on the Internet, at the SCA's web site, <http://www.sca.org>, in the Exchequer area, or from the Kingdom Exchequer.

THE SECRET TO 10-MINUTE REPORTS

When you record a transaction, write down in your register what line it will go on in the financial report. When it is time to complete the reports, just fill in the numbers on the report form. This advance work helps you complete the report with much less thinking and remembering than would be required without the advance work.

1. Contents

Each page has on the version in the top left corner whether it is the Excel version or the pdf version.

If you are using the Excel version of the reports, the first four pages (Comparative Balance Statement, Income Statement, Primary Account Reconciliation and Chancellor of the Exchequer Contact Information) must be printed out, signed and sent in along with any other documentation, **as well as** the whole workbook must be emailed to your reporting officer. Kingdoms may require more.

If you are using the printed/pdf version of the reports, all pages must be sent in – and if a page has no data, write ‘N/A’, ‘Not Applicable’, ‘No Data’, etc. to show that there should be nothing on those pages. You can print the forms on both sides of a sheet of paper to save on postage, but you should still mark the pages that don’t apply.

a. Quarterly Financial Report Packet

Fill out the Financial Report with the financial activity calculated as either Sequential (January - March, April - June, July - September) or Cumulative (January – March, January – June, January – September). The start date is the end date of the last report.

Every line and item on the report form is there for a reason. If you do not understand why the report asks for something or what it is, ask your superior officer. Also include copies of the reconciled bank statement from the last month of the quarter. If there is a problem with your report, the bank statements will help your superior officer help you figure out the problem. Kingdoms may require additional documentation be sent in along with the quarterly reports. Contact your Kingdom Exchequer for the requirements in your Kingdom.

b. Domesday Financial Report Packet

You will be sent a copy of the Financial Report Packet with last year’s numbers filled in by the Kingdom Exchequer. You may be sent the whole packet or just the Comparative Balance Statement. Or you may receive via email the report workbook with the starting numbers already populated.

DO NOT CHANGE LAST YEAR’S NUMBERS. Last year’s numbers are frozen, and may have been changed from what you submitted for a variety of reasons possibly unrelated to your report, such as cross-period transfers. If there was a mistake, contact your Kingdom Exchequer for guidance. Complete the forms using the financial activity for the entire year.

If you have done your quarterly reports as Sequential (do the fourth quarter report just like the first three), you should be able to add up each item on the **Income Statement**. Use the first period previous numbers and the last period ending numbers on the **Comparative Balance Statement**, and balance. The separate fourth quarter report does not need to be included with the Domesday report unless you are having problems and need help.

If you have done your quarterly reports as Cumulative, you should be able to just add the 4th quarter activity and balance.

Also include copies of the reconciled bank statements from December. Some Kingdoms may require additional documentation be sent in along with the Domesday. Contact your Kingdom Exchequer for requirements in your Kingdom.

2. Distribution

Send your reports to the Kingdom Exchequer and your Seneschal or Guild Principal. Your branch may have additional people who are required to get this report (such as the Baron, or the Baronial Exchequer if you are a Canton of that Barony). Society Financial Policy requires that you make an annual written report to your branch or guild, which may be published in a newsletter, or simply handed out or mailed to the populace. Other reports may be required by the branch or guild. The first two pages of the Financial Report (**Comparative Balance Statement** and **Income Statement**) are sufficient for publication.

3. Due dates

Quarterly reports are generally due one month after the end of the fiscal quarter. Contact your Kingdom Exchequer for the reporting deadlines for your Kingdom. You may ask for an extension if there are extraordinary circumstances, but call or email the report recipient **before** the report is due. Notification after the fact will not be treated as leniently, especially during Domesday season, when you risk losing your warrant.

4. Failure to Report

If an Exchequer fails to turn in a report as scheduled in Kingdom Policy without prior notice, or by the end of an extension, that branch or guild may be put on suspension by the Kingdom Seneschal after notification of the Crown and the branch (at least one of: branch Chancellor of the Exchequer, branch Seneschal, or the landed Baronage if applicable).

Suspension typically means that all scheduled events for that branch are removed from the Kingdom Calendar, and all Society sanction is removed from that branch’s activities. This notification shall be made in writing, and sent through the mail. Telephone or electronic means may also be used, but they do not substitute for notification in writing. Suspension will last until the completed reports have been correctly filed.

Upon the second such occurrence caused by the same officer, a new Exchequer must be recommended in writing by the branch or guild to the Kingdom Exchequer before the suspension may be lifted. See IX.C below. Extenuating circumstances can be taken into consideration once they are known. If you are having problems, call your superior officer. If they can’t help or aren’t available, call their superior. Don’t just sit on a problem! Your superior officer cannot help fix what they don’t know is broken.

VIII. OTHER REPORTS

Your Kingdom may require copies of event reports be turned in to the Kingdom Exchequer or a deputy. You will also need to report attendance to your Kingdom Exchequer when you send in any Corporate Surcharges. Contact your Kingdom Exchequer so you can meet their expectations.

IX. MAINTAINING FILES

The files should contain a history of activity either back to 7 years, or for as long as the branch or account has existed, whichever is less. Each file should contain:

1. Filed –signed– Domesday reports, including the corresponding bank statements and any other supporting records.
2. Copies of any letters or emails received from the branch officers or members.
3. Copies of any letters or emails sent to the branch from the Kingdom Exchequer.
4. Documentation of any sanctions or investigations that have taken place.
5. Signed Review of Books forms.
6. Filed quarterly reports for the previous year.
7. Copies of ID submitted when applying for a warrant.
8. Copies of signed signature cards and supporting ID for signatories.

X. REMOVING FILES

Once 7 years has passed, you can archive the records somewhere safe, burn them, or shred them. Please shred and/or burn any ID information after 7 years – it doesn't need to be archived. Don't just throw any old records in the garbage as some of it can be identifying information and could be stolen and used in identity theft. Also, if you change bank accounts burn or shred any un-used checks and deposit slips.

Things that should **not** be shredded are receipts from reported items (depreciable equipment and regalia), or documentation regarding sanctions.

XI. SELECTING A SUCCESSOR

Each branch has their own way of selecting officers. It is important for the Exchequer to be approved by the Financial Committee, even if they are not selected by that Committee. In emergencies, the Exchequer emergency deputy can assume the duties of the office, but a normal advertising and application process should then begin to find a more permanent replacement.

XII. LEAVING OFFICE

A. Voluntarily

You have the option of leaving office at any time. However, remember that the account must be reviewed when you leave office and you are required to turn over all records within thirty days (SFP VI.C). If you are leaving office when a report is due (especially the Domesday report), please consider helping your successor compile the report to ensure that everything is balanced when you leave.

B. By Request

If it has been requested by anyone other than the Kingdom Exchequer or the Crown that you leave office for reasons with which you don't agree, contact your Kingdom Exchequer. Unwilling removal from office is not taken lightly, and only the Society, Kingdom Exchequer or the Crown may remove an Exchequer "for cause". If you receive such a request verbally, ask for a letter detailing why you are being requested to give up the office. Contact your Kingdom Exchequer as soon as you receive any such request in writing. No action may be taken until the request is placed in writing and received by the Exchequer who is being requested to leave office.

C. Removal for Cause

Any Chancellor of the Exchequer may be removed at any time for any of the following reasons:

1. **Violation of modern laws and regulations**
2. **Violation of Society By-Laws and Policies**
3. **Failure to comply with Kingdom Law and Policies**

Actions that violate modern laws and regulations will result in the Exchequer and the evidence being turned over to the modern legal authorities. Immediate revocation of the Exchequer's warrant is mandatory.

The Kingdom Exchequer (or a designated representative) will attempt to resolve problems relating to compliance with Society By-Laws and Policies, or Kingdom Laws and Policies. Most cases are not intentional, but instead just a matter of not being informed of the By-Law, Kingdom Law or Policy being violated. In some cases, a variance may be issued to allow for continued operation either until the problem can be corrected, or until an alternate solution can be found and approved. If, after several attempts, the problem is still not resolved, the Kingdom Exchequer may revoke the Exchequer's warrant, the cause being the continued violation of the By-Law, Kingdom Law, or Policy after notification.

D. Dissolution

If your branch will be ceasing operations, the assets need to stay within the Society, or be given to another U.S. 501(c)(3) organization. You may not spend all the money on a party for your branch or guild. Authorization will be required from the Society Exchequer before branch funds can be disbursed. You will still need to complete the year-end

report packet for that year (your ending net worth must be zero after you have distributed the assets). There are several options for distribution of assets:

1. Kingdom

You may transfer the money and any other assets to the Kingdom Exchequer. They may hold them either until your branch re-forms, or distribute them as they see fit.

2. Another Society Branch

You may transfer the money and any other assets to another Society branch, which will use or distribute them as they see fit.

3. Another U.S. 501(c)(3) [non-profit] Organization

You may transfer the money and any other assets to another U.S. 501(c)(3) organization, which will use them as they see fit.

4. Combination

You may transfer part of your money and other assets to the Kingdom, another part to another branch, and the rest to another 501(c)(3) organization. Any combination of the above options is perfectly allowable. Make sure that your financial committee approves whatever distribution you do, and obtain receipts to prove your donations.

CHAPTER 2: FINANCIAL COMMITTEES

Financial committees make the financial decisions for the branch or guild. The branch Exchequer is responsible for working with the branch administration to create and maintain branch financial policies. SFP states that the Exchequer and the branch or other warranted Seneschal are required to be on the committee. This committee may contain only these people plus one other, or it may be expanded to include any number of additional people, up to and including all of the officers, or members of the branch or guild. It is a good idea to make all the signatories members of this committee, even though the Society Exchequer won't usually be participating in the committee discussions.

The Kingdom Exchequer does have the authority to overrule the branch financial committee, if the committee's decision would violate SCA branch financial policy, violate our 501(c)(3) status or put it in jeopardy, or would violate IRS regulations or Kingdom law. Any such overruling may be appealed to the Society Exchequer. The Society Exchequer has the authority to overrule decisions of the Kingdom Financial Committee for similar reasons. Any such overruling by the Society Exchequer would be appealed to the Treasurer.

The financial committee is responsible for two things: setting financial policy for the branch or guild, and approving all financial activities.

I. FINANCIAL POLICIES

Branch Financial Policies cannot contradict or loosen any part of Society or Kingdom policy. An example of a Branch's Financial Policy is: "Any purchases over \$200.00 must be approved by the whole branch."

A. Kingdom Financial Policy and Precedence of Law

Kingdom Financial Policies fall within the Precedence of Law as published in Corpora as part of Society Officer's Policies approved by the Board. This puts Kingdom Financial Policies **below** the By-Laws of the SCA, the Corporate Policies of the SCA, and Corpora. This also puts Kingdom Financial Policies **above** Kingdom Law. Thus, Kingdom Financial Policy would overrule any financial sections in Kingdom Law, but cannot reverse, overturn, or loosen any restrictions that are in the By-Laws, the Corporate Policies, or Corpora. They also cannot reverse, overturn or loosen any restrictions that are in the main part of Society Financial Policy.

B. Philosophy of Policy Creation

Policies should be created with an eye towards a) convenience to all people affected by these policies; b) incentives for compliance; and c) disciplinary actions for non-compliance.

Policies should have a stated benefit in order to exist. Inconvenient rules won't be followed. Using a bigger stick to enforce compliance only makes things worse. Look towards the people affected by the problems to see what they think will solve the problem, if they haven't already found something that works for them.

Remember, Branch financial policies can be more restrictive than SFP and Kingdom Financial Policy, but cannot reverse or make looser any higher requirements.

The Kingdom Exchequer is responsible for guiding the branches in making their own financial policies. Each branch should have a written financial policy. In small branches, this may be put off until they are larger or more stable, but having a written financial policy will always prevent more issues than not having one will. Here are some guiding principles for branch financial policy development.

1. Financial Committees are supposed to make things *easier* for branches to do business, not harder, by involving an optimum number of interested and trusted people in the decision making process, while not bothering those that just don't care.
Bottom Line: In Financial Policy, the Branch invests the Financial Committee with the authority to make financial decisions on behalf of the Branch. This is a **good** thing.
2. The Branch controls the selection of the first financial committee by approving the first financial policy, which outlines the composition of the first Financial Committee.
3. Financial policies may be structured that any changes to it are controlled by the branch paid membership (not just the financial committee), including any changes to the composition of the financial committee. Financial policies may be structured so that any changes to it are controlled by the financial committee. It all depends on how comfortable the branch is with the financial committee composition and how much they trust the people holding those positions.
4. Financial Committees **must** involve the officers who are responsible for the financial health of the branch - the seneschal and the exchequer. A financial committee needs only one other person to make an odd number of members to avoid tie votes. Any other branch members who are interested may be a part of the financial committee, but it is not required. Any other branch members or officers who the rest of the branch thinks should be a part of the financial committee may be a part, but it isn't required, and the person can decline. If the branch does not want any person who is not the seneschal or exchequer to be on the financial committee, they do not get to be on the financial committee no matter how much they want to be.
5. It is not required that every member of a branch be a member of the financial committee. Some do, some don't. It is left up to the individual branches to find what serves their needs best.

6. It is not required that the financial committee be the final authority, nor is it required that the financial committee **not** be the final authority in approving financial matters. Branches may use their financial committee as a 'filter' for issues so that the entire branch considers only large issues ready for approval. Branches may use their financial committee as the final or only approval authority.
7. Only paid members may be on the financial committee. If a branch decides that all paid members of the branch are the financial committee, that's fine. If there are sufficient members available and interested, the committee can be as large or as small as the branch wants, with a minimum of three. SFP is **specifically** left vague to suit a number of kingdom's needs.
8. A prudent financial committee that is a subset of the branch members will make sure that all of its meeting notes are made public if the meetings themselves are not, and that potentially contentious proposals are put to the branch for discussion **before** the financial committee votes, so that once everyone has had their say, the vote is done and is final (no appealing, waffling, wailing and/or gnashing of teeth). .
9. Lastly, all the SCA can give a branch is the minimum requirements and a framework for a branch to use. The branch fills in the details themselves. Most branches do not want the Kingdom Exchequer to make their financial policy for them. Branch members should be able to figure out how to appropriately represent their branch's needs themselves, from among the few members of the branch that are interested in this process. Hundreds of other branches ready have.

C. Minimum Requirements for Branches

According to SFP VIII, all Financial Policies must include:

1. Composition of the Financial Committee

Kingdom financial committees must have as members the Kingdom Seneschal and the Kingdom Exchequer. The kingdom is free to have as many or as few members as it wishes, however it must have at least these members. Kingdoms are free to choose any method for determining additional members of the financial committee; however, the Kingdom Financial Policy must state how this is done. Some kingdoms may have the minimum; others may use the entire slate of kingdom officers or have some method for appointing members.

2. Terms of Financial Committee members

If the committee members aren't officers, it must be specified how long they are on the financial committee. If they are officers and the term doesn't match the term of office, it must be described how long they are on the committee.

3. Timeframes and methods for meetings

There needs to be specified how often the committee meets, who can call the meetings, who runs the meetings, and any other meeting arrangements that are required.

4. Timeframes and methods for action approval under normal circumstances and in emergencies

Kingdom Financial Policy must state how budgets and expenditures are approved. Royalty votes as one -- all members of the royal family must agree on their vote as they only get one vote - the only exception is committees with five or more votes -- in that case the heirs may have a separate composite vote from the sovereigns (SFP VII.F). Possibilities include unanimous vote, consensus, 2/3 majority, etc.

This section could also include what is expected in a budget as well, but this shouldn't include the actual budget or any dollar amounts. Changing dollar amounts would require Board action, as it would be a change to SFP. It is, however, recommended that any policies governing the reimbursement of Royalty for travel, office expenses, etc. be included in the Kingdom Financial Policy.

5. Reporting requirements and schedule for reports to the branch administration

Specify what reports are required and when they are due to whom for the Kingdom accounts.

6. Timeframes and methods for review and revision of the financial policy

Financial Policy should be reviewed regularly. Specify how often this is to be done - every year, every reign, etc.

7. Methods for controlling cash receipts

If there are any special cash handling procedures or specifications that apply, they should be included in here. Not all kingdoms run events through the Kingdom account, so this may not apply at the Kingdom level, but it should always be included at the branch level.

8. Any policies regarding event admission charges or complimentary passes

If there are any special customs regarding who is not charged admission to events, they should be included here. It is important that any entries under this category have to be class-based, small countable groups, and self-selecting (a person can choose to meet the requirements and be included in the group), but not person-based. Examples are: the Royal family, the autocrat, the head cook, the gate staff, the branch officers, etc. Not allowed would be: the autocrat's household, the branch, all non-members, a list of the seneschal's friends, etc.

Agreeing on who is included and how they are determined for each event in advance of the event will always prevent problems on the day of the event.

D. Kingdom Financial Policy Additions

It is the duty of the Kingdom Exchequer to work with the Kingdom Financial Committee to make and enforce any specific policies effective in that Kingdom in addition to SFP.

SFP includes Kingdom Financial Policies as a part in order to give precedence to them with regards to Kingdom Law. A side effect of this is that the Board of Directors, at the request of the Society Chancellor of the Exchequer, must approve any changes to Kingdom Financial Policy. Current SFP including all the policies for the Kingdoms, Interkingdom Events, and Society Offices is available from the Corporate Office or at www.sca.org in the Society Exchequer area.

Kingdom Financial Policies must include, in addition to the normal financial policy sections:

- 1. Reporting requirements and schedule for branches within the Kingdom**
- 2. Any additional financial policy requirements for branches within the Kingdom**
- 3. Any additional policies desired by the Kingdom Financial Committee**

E. Implementation Procedure

Any proposed changes to Financial Policy must be discussed with the Kingdom Exchequer before implementation. When it is decided to change Financial Policy, the changes should be distributed to the populace of the branch for comment, either by letter or email to the populace or published in the branch Newsletter. People can't comment on a rule that isn't published.

Once the financial committee has approved the revisions to the financial policy, a copy of the revised policy with the signatures or emailed approval of the committee members should be sent to the Kingdom Exchequer.

Once the Kingdom Exchequer has approved the changes to the Financial Policy, it should be made available on the branch webpage and changes published in the branch Newsletter. People can't follow a rule that isn't published.

F. Review of Branch Financial Policy

The Kingdom Exchequer may review the branch Financial Policies periodically, and make recommendations for changes to be presented to the branch Financial Committee to discuss. If the Kingdom Exchequer finds that a section of a branch Financial Policy violates or contradicts Kingdom Financial Policy, SFP, Corpora, By-laws, IRS regulations, or Board decisions, the Kingdom Exchequer may require that the branch remove that section of the Financial Policy after informing the branch Financial Committee of the violation.

II. APPROVING FINANCIAL ACTIVITIES

Ideas can be brought to the committee for consideration from anyone (remember, the committee can be the entire membership of the branch). Examples are: "We want to hold an event with this budget." "We want to sell newsletters using subscriptions." "We want to buy a pavilion." Here are things to remember when discussing proposed financial activities.

A. Majority Vote, Unanimous Vote and Consensus

Majority vote is where the count of votes to pass is more than half of the total possible votes. Unanimous requires everyone to vote for the item to pass it. Some branches may choose a percentage of votes to pass between majority and unanimous, such as two-thirds or three-quarters. When there is a formal vote for an especially contentious issue, there can be winners and losers. Care should be taken that having one group of people constantly losing out on their views for votes doesn't alienate them unduly.

Consensus means that there is no substantial objection. Consensus is where, rather than asking for yes votes, there is a request for objection to the item. If there is no objection, the item passes. If there is objection, the objection is discussed and the question asked again until either the item is dropped or the item passes. Consensus only works where there is a feeling of teamwork rather than factions.

B. Appearance of Fairness and Objectivity in the Decision

The main thing to avoid when approving financial activity is even the **appearance** of unfair personal benefit or influence. Make sure that all decisions are made fairly, objectively, by more than one person, and to the benefit of the branch. If a branch member is involved personally in the transaction (either as buyer or seller), treat them as any other vendor outside the branch. Make sure that they don't have unfair influence or advantage in the decision-making process. Make sure that the price being charged or paid is not significantly different from what anyone else would charge or pay. Finally, make sure that everyone interested has a chance to buy or sell whatever is being discussed - don't narrow the field unfairly. Taking these steps will help to ensure that there won't be questions with any transaction.

C. Sustainability of the Activity

The second main thing to consider is whether the expense is a single occurrence or a repeating occurrence. Repeating expenses should be looked at in the long term as to how it will be funded. It is important to note that it is **not** necessarily bad financial planning to have the branch decide to completely fund a repeating expense. It **is** bad financial planning if there is no thought of how to replace that money as it is used up in order to not eventually bankrupt the branch.

An example of a repeating expense is site rental for weekly fighter practice. There are as many different cost levels for this as there are branches in the SCA. Some are free, and some are quite costly. The goal is to make sure that the branch won't bankrupt itself funding it. One way is to perform demonstrations or other volunteer work in return for reduced payments. Another is to ask for donations from the attendees to offset the branch's expense. A third is to divide the weekly charge by the number of attendees and collect money until the charge is covered. A fourth is to set a weekly price and keep it in a dedicated fund used to pay for the site.

D. The Activity Is Not Contradictory To Our Purpose

An important thing to consider is that the proposed activity supports, or at least goes along with, our organization's purpose: education and re-creation of pre-1600 Western European culture.

E. Allowable vs. Desirable

The last thing to consider is that there is a difference between allowable and desirable. There is a difference between allowable and desirable which is where some people might get an incorrect impression of either their duty as exchequer or the decisions an exchequer makes. The Exchequer may absolutely veto any item that is not **allowable**. The Exchequer does not need to agree that the item is **desirable** if the rest of the Financial Committee agrees that it is desirable.

There are certain things we **cannot** do with our funds. The exchequer determines **allowable**.

There are a lot of **other** things that we maybe shouldn't do but are still allowed: buy something unnecessary or buy something necessary at that price or at that time. Desirable depends on your viewpoint. The branch's financial committee (at least three people) determines **desirable** as a team. They have to, by a majority, agree that the purchase should be made before it can happen.

Example: If a shire decides to spend \$500 on a gold-plated gem-encrusted wubbie in a velvet-lined oaken box with leather bindings that they only take out once a year to wave around for five minutes to show everyone that they have it, they can. It's a pretty useless item to most of us, but if it has some significance to the branch and the financial committee approves the purchase, they can have it. Their justification could be that making the gold-plated gem-encrusted wubbie with the velvet-lined oaken box with leather bindings was a medieval project so that branch members could learn medieval techniques for gold-plating, gem-mounting, velvet-lining, box-making, and leather-binding. They don't need one as long as the financial committee approves it (even if the exchequer votes against it).

Example: If a shire decides to spend \$500 on a set of knives for the chef's guild but they only have one event a year, that's fine. It would be good if they shopped around to see if they could get the same or similar set of knives for less somewhere else, but if they have to have it now, and the financial committee approves the purchase (even if the exchequer votes against it), they can have it.

Example: If a shire decides to accept a \$10,000 donation from someone with the stipulations that a demo is performed every year for the next five years at a faire that the donor holds with at least 10 fighters attending, an ironwork and cooking demo with brick ovens, and at least 7 period tents showing different medieval crafts, otherwise the shire will have to pay for professional demonstrators of the missing items to appear, and they think they can commit to those requirements, then they can accept the donation. It may not be seen as a good idea by others, but if that branch's financial committee thinks they can fulfill those requirements and accept the consequences if they don't, then they can accept the donation with the stipulations. This example shows a donation that is allowable but not really desirable.

Example: If the donation depended on providing mead for madrigal dinners for the next 7 years, then we couldn't accept the donation because alcohol was involved.

If the donation specified that the donation (all or in part) must be returned if the stipulations are not met, we cannot accept the donation because once money is donated to us, it can't be returned. The exchequer would have to deny the donation for the last two versions.

CHAPTER 3: REVIEWS OF BOOKS

The books of a branch must be reviewed whenever the office changes hands. All accounts must be reviewed at least once within any three year period. (SFP XV.A) This review may occur at an event, or in a private meeting.

The review will consist of a meeting between the reviewer (a warranted exchequer who is not active in the branch being reviewed and is acceptable to the Kingdom Exchequer) (SFP XV.B) and a witness (who can be the branch exchequer, but does have to be a branch officer) (SFP XV.C).

This process is designed to be a pleasant experience for all people involved, not just another chore or an 'audit' in the accounting sense of the word.

I. SCHEDULE THE REVIEW

Contact the reviewing exchequer to set up a mutually convenient time for the review. The Kingdom Exchequer will either conduct the reviews personally, or assign a reviewing deputy to handle the process.

A branch event is usually where these reviews are done. These reviews usually take from one to two hours, depending on the size of the branch and the quality and quantity of the files.

If you cannot attend the review, the emergency deputy exchequer can attend in your place. If the emergency deputy can't attend, the branch seneschal can serve as the witness. If you are not there, the witness should ideally be able to contact you by phone for questions during the review.

If you, your emergency deputy, and the branch seneschal all cannot attend, the review must be rescheduled to a time when one of you can attend.

II. PREPARE FOR THE REVIEW

Go through the files and make sure that they are relatively neat. Print out your financial policy and any procedures that are used in your branch. Finish any filing that may be outstanding.

According to SFP XV.D, these are the topics that will be covered:

A. Financial reports submitted

You should have copies of all financial reports submitted by your branch for the last three years in your files.

B. Event or other activity reports as required by kingdom policy

You should have copies of all other reports submitted by your branch for the last three years. This includes event reports, NMS reports to the Kingdom, and any other reports as required by your Kingdom Financial Policy or your Kingdom Exchequer.

C. Warrant and membership status for the financial officer and the emergency deputy

You should have a copy of your warrant (single or roster), as well as for your emergency deputy, in your files. You should be able to show your membership card to the reviewer as well.

D. Training needs for the financial officer(s) including access to handbooks

Write up what training you have received from your predecessor or from a standard kingdom training process. Show that there is access to the most recent edition of the Branch Exchequer Reference Handbook, either on paper, or on line.

E. Bank account setup and status (including signatory verification)

You should be able to show the checkbook and bank statements. If you have copies of the signature cards, include those as well. If you have documentation from the bank regarding the type of account(s) the branch has, include that as well.

F. Ledger maintenance and bank account reconciliation

You should be able to show the ledger and account reconciliation process. If the ledger is online, print it out (it should be printed out quarterly and filed anyway).

G. Transaction documentation, including deposits, receipts, advances and advance reconciliation

You should be able to show your filing system for advances and reconciliation, deposits and reimbursements.

H. Financial committee meeting minutes and decisions, including budgets and special votes

You should be able to show minutes of financial committee meetings, including printouts of emails. You should also be able to show approved budgets and any documentation of extra financial decisions such as emergency expense approvals.

I. Financial policies in effect (local and higher)

Print out your branch's financial policy. You can print out the Kingdom's and Society's financial policy to be helpful during the review as well.

J. Special purpose and dedicated funds

You should be able to show documentation for all dedicated funds in your account, including primary and secondary purposes.

K. Cash control procedures

You should be able to show documentation for how your branch runs event gates and handles other income to the branch.

L. Asset management procedures

You should be able to show documentation for how your branch manages its non-cash assets, such as inventory and equipment.

M. Correspondence

You should be able to show that any correspondence for the office of the Exchequer has been answered appropriately and in a timely fashion.

N. Progress on action plans from prior reviews

If this is not the first formal review, and there was an action plan from that prior review, you should be able to show progress on the items in the action plan.

III. CONDUCT THE REVIEW

Sit with the reviewer and anyone else who wants to watch, such as the Seneschal and any deputy Exchequers. The Review of Books Report is available from the Society Exchequer website at www.sca.org.

A. Cash Asset Management

Items to be reviewed include but are not limited to:

- Confirm that bank accounts are set up correctly. Review the use of the method of account control used, such as double-signature accounts. Check for signature on the reconciled statements by the Seneschal or Guild Principal, or that the statements are sent to another address for initial review. Check the list of signatories, and the methods of record keeping used for reports and receipts.
- Check that deposits have been made within the limit set by SFP and Kingdom Financial Policy. Compare the deposit dates to the dates of the events that have been held.
- Check that receipts for expenses are proper receipts (from stores, post offices, etc. with a minimum of copies of cancelled checks or hand-written receipts), and are kept in an orderly and logical fashion.
- Verify that backups of all electronic files are made and filed periodically. Check that the most recent annual report was published to the branch populace in some form.
- Review any special-purpose funds, outstanding Cash Advances and Receivables, and Cash Management procedures used at events.
- Check Kingdom Financial Policy for any additional standards.

B. Non-Cash Asset Management

Check for the presence of the Branch Exchequer handbook in the files or available via download. Check for the existence of an equipment list, which indicates proper tracking of non-cash assets. The list itself can be checked, if necessary, to make sure it is up-to-date.

C. This Branch's Financial Policy

Review this branch's Financial Policy, if it exists. Check to make sure it doesn't countermand any part of Society or Kingdom Financial Policy. Check the composition of the Financial Committee and the decision-making process. Check budgets and compare against actual amounts. Make sure that all required parts exist according to SFP VIII.

If the branch doesn't have a financial policy and the Kingdom requires one, help them come up with a basic financial policy that they can use to create their own. Make sure the Kingdom Exchequer is informed that the branch is working on a financial policy.

If the branch doesn't have a financial policy and the Kingdom doesn't require one, review their processes for approving expenditures to make sure that all appropriate steps are taken during their processes.

D. Current Variances

Investigate any situations that may require variances, and verify that all current written variances are still required. If any new situations have arisen which require variances, the branch exchequer should apply to the Kingdom Exchequer for them at this time.

IV. RECORD THE REVIEW

Fill out and sign the form used. Make copies for both your files as well as the exchequer files, and a copy for the branch Seneschal. Copies for the regional or Principality Exchequer would most likely be appreciated as well.

V. ACTION ITEMS

If a variance is necessary, the Kingdom Exchequer may grant one in writing, and it becomes part of the files. If a variance currently in effect is no longer necessary, the Kingdom Exchequer removes the variance.

Occasionally, a more thorough review will be requested. A thorough review will entail all of the above items, just in more detail. Anyone can request a thorough review of a branch's books; however, care must be taken to ensure that the reasons for the request are reasonable. Frequent requests for thorough reviews must be themselves reviewed to make sure there are valid reasons for the requests.

VI. REVIEW OF BOOKS REPORT

This form is used to record the results of a meeting between a branch Exchequer and superior officer. A review of books takes place every two years, or during a change of officer, whichever is sooner. This process is only to check the status of an account, and will most likely not encounter any errors. It is designed to be a pleasant experience for all people involved, not just another chore or an 'audit' in the accounting sense of the word.

Fill in the name of the branch at the top. Mark the answer to each question in the box on the form. Use the back or additional sheets to attach descriptions. Usually, any NO answer will require attachment of a description of the situation.

Under Section A, items 8 through 10 are topics for discussion. This is meant to be an opportunity for both people involved to learn from each other by sharing their experience dealing with these matters.

Section B asks if a copy of this handbook is included in the files, and if there is a current equipment list. Sections C and D are more opportunities for discussion.

The Reviewing Officer and the Branch Exchequer should then sign this form. Make a copy for both of you to keep in your files.

CHAPTER 4: MANAGING ASSETS – CASH

The Exchequer is ultimately responsible for the custody and safekeeping of all assets. These custodial tasks may be delegated; however, this delegation does not in any way diminish this responsibility.

There are three different types of "cash" asset: Cash-on-hand, primary accounts, and secondary accounts. Cash-on-Hand is un-deposited cash or checks. **Permanent Cash-on-Hand (also known as Petty Cash) is not allowed without a variance from the Kingdom Exchequer.** The account that handles most of the transactions is called the Primary Account. Primary accounts are most likely checking accounts. Secondary accounts are usually savings accounts, Certificates of Deposit (CDs), money market funds, and occasionally investment accounts. These accounts are allowed as specified in your Kingdom's Financial Policy.

Note: Check with your Kingdom Exchequer before opening any account. Branches that have not been recognized as full-status, such as incipient branches, may not open their own bank accounts. (SFP II.B)

I. OPENING BANK ACCOUNTS

This section covers opening bank accounts in banks that follow U.S. rules regarding banking. Local law supersedes any of the guidelines listed below.

'ATM' and debit cards are prohibited. You may have a deposit-only card if your bank offers it, but the Kingdom Exchequer is required to verify that this is for deposit purposes only.

The SCA, Inc. is exempt from backup withholding. Make sure to mark on any signature cards or corporate resolutions where there is a question about backup withholding.

Web access to double-signature accounts is allowed **ONLY IF** the access is read-only. If one person can move funds into or out of the account over the web on a double-signature account, then web access is not allowed.

A. Bank Account Set-Up

The Society Financial Policy states that the following requirements are mandatory for every type of bank account. They will be checked during every review of books:

1. The account must be titled as "The Society for Creative Anachronism, Inc. -- <your branch's name>". (SFP IV.A)

2. You must use the Society's Tax ID number on any account you open in the banks governed under U.S. banking regulations. (SFP IV.A)

The SCA's Tax ID number is 94-1698556. All accounts in countries other than the U.S. will comply with their native corporate and banking laws. Contact your Kingdom Exchequer for guidance in these situations.

3. Electronic fund transfers out are not allowed. (SFP IV.D)

"ATM" and debit cards are prohibited. EFT transactions are prohibited without permission from the Society Exchequer. You may have a deposit-only card if your bank offers it, but the Kingdom Exchequer is required to verify that this is for deposit purposes only.

B. Signatories

Signatories are those people who are authorized to sign for deposits or withdrawals on any bank account. As long as the signature(s) on the check or bank slip match those on the signature card held by the bank, the transaction is approved. Most signature cards have spaces for officer titles. Modern equivalent titles for Society offices can be found below. Under no circumstances may "Director", "Chief Executive Officer" (CEO), "Chief Financial Officer" (CFO) or similar titles be used on branch accounts.

Signatories do not have to be on the Financial Committee (although they could be), and Financial Committee members do not need to be signatories.

The following requirements are stated in Society Financial Policy, and will be checked during every review of books:

1. All signatories on the account must be paid members (sustaining, associate, or family) of the SCA or an affiliated organization for as long as they are listed as signatories. (SFP V.A)

These people are basically deputy Exchequers, and must be and remain members of the SCA in good standing.

2. At least two officers of the same branch must be listed as signatories, as well as the Kingdom Chancellor of the Exchequer or a designated representative. (SFP V.B)

For non-branch accounts, the officer and another local person must be listed as signatories, as well as the Kingdom Chancellor of the Exchequer or a designated representative. For a Kingdom account, the Society Chancellor of the Exchequer must be a signatory. Additional local signatures are allowed; however, there should only be one checkbook to keep check writing under control. Kingdom accounts must have the Kingdom Exchequer, the Society Exchequer, and the Kingdom Seneschal as signers, at minimum.

3. Signatories must live at separate addresses. (SFP V.D)

4. Current Royalty may not be signatories. (SFP V.F)

Royalty for these purposes include Kings, Queens, Princes, Princesses, and heirs to Territorial Principalities. The Society Exchequer may grant variances to this item. If a signatory to an account becomes a member of Royalty, then they must be immediately taken off the account as a signatory.

5. Signatory equivalent titles

Signature cards, which require titles, should use the following table to find the correct title to use:

<i>SCA Office Name</i>	<i>Modern Legal Title</i>
Seneschal	Chapter President
Exchequer	Chapter Treasurer
Chatelaine	Marketing Officer
Deputy Exchequer	Deputy Chapter Treasurer
Herald	Research Officer - Heraldry
Minister of Arts/Sciences	Research Officer
Knight's Marshal	Safety Officer
Chronicler	Chapter Secretary
Archery Marshal	Deputy Safety Officer
Chirurgion	First Aid Officer
Rapier Marshal	Deputy Safety Officer
Kingdom Exchequer	Regional Treasurer

C. Account Controls

There are two recommended ways of setting up the account where controls are sufficient to discourage theft and reveal any theft promptly. The Kingdom Exchequer must approve any other methods in a written variance. (SFP IV.C)

Both approved methods require the Seneschal or Guild principal sign and date the bank statements after they have been reconciled, as proof of their monitoring the process. Most bank statements have account reconciliation forms on the back, or you can use the **Primary Account Reconciliation** in the Financial Report Packet. Directions on how to fill out this form appear in Chapter 7.

1. Require two signatures for withdrawal, and the Seneschal or legal representative on the Financial Committee must sign the reconciled monthly bank statements on a monthly basis.

Double-signature accounts require that two people have to agree on the transaction before it can take place, and can back each other up if questions arise. Two people are sufficient to ensure that only authorized transactions take place, and still be reasonably convenient for the branch making transactions. If there is some question about a transaction, both people who signed for it can provide information regarding the transaction.

Most local banks offer double signature accounts, usually for businesses. Current banking regulations do not require banks to verify signatures on checks, or even that there are two on a double-signature account check. Provide two signatures on the checks whether the bank checks them or not. This is to ensure that there are at least two people who know why that money was spent.

Make sure all checks have a second line on them, and/or the text "Two Signatures Required" somewhere on the checks. Most check supply places will do this for little or no cost.

Do not have checks with one signature present on them longer than a week, especially if the bank does not examine the signatures regularly. This defeats the purpose of having the double signature account, and leaves the branch open to theft.

NEVER sign a check that isn't filled out completely. One signatory signing a pack of blank checks is not allowed, no matter how much trust is involved.

2. The bank sends unopened bank statements to someone other than the Exchequer at an address different from the Exchequer's address for initial review.

This ensures that someone else has access to the transaction listing as processed by the bank, and may question any expenditure that may look unusual. The reviewer then signs the bank statements as proof of their review.

3. Obtain a variance from the Kingdom Exchequer another alternative.

If having a bank account is not desirable, it is the branch Exchequer's responsibility to apply to the Kingdom Exchequer for a variance to use some other means of ensuring adequate account controls are in place. Contact the Society Exchequer for more information.

D. Signature Cards

Fill out the signature card (or have the bank officer do this) with the bank account name or title, the account number, and signatory names. Make sure the Kingdom Exchequer's name (or their designated deputy) is one of the signatories. Have all the other local signatories sign the card by their typed names.

To send the card to the Kingdom Exchequer, include a self-addressed stamped envelope with your or the bank's return address (sometimes they may provide you with a SASE). This will help insure that the cards are returned to you or the bank when signed. It is also helpful to include a note stating what needs to be filled out by the Kingdom Exchequer (all forms are different). Bankcards normally don't include address information for return, so the note and SASEs are important.

If you have sent the forms in and haven't gotten them back in a reasonable time (4 weeks), call the Kingdom Exchequer to find out if they got the forms. If necessary, repeat the process with new forms.

NOTE: You do not need to change the signature cards every time the Kingdom Exchequer office changes hands. Most Kingdom Exchequers just deputize the prior officer, so contact the new Kingdom Exchequer and ask if you need to re-do the signature cards.

You do need to change the signature cards whenever the local signatories change. Get the current Kingdom Exchequer's signature at this time.

E. Ordering Checks

The checks must have "The Society for Creative Anachronism, Inc. -- <your branch's name>" as the title. You may also include an address and other information according to your Kingdom's Financial Policy. It is recommended that you order the minimum number of checks at any one time, and keep it as inexpensive as possible.

It is a good idea to put the following things on the checks when they are ordered:

- 'Checks are void after 90 days.'
- A line for the second signature
- 'Two Signatures Required' even if the bank doesn't monitor the signatures.

F. Corporate Resolutions

A Corporate Resolution (or Resolution of Lodge, Secretary's Certificate, or Corporate Depository Resolution) is a document that states that the corporation who owns the Tax ID has approved the opening of this bank account at a regular meeting of the Board of Directors. Information required on these forms and their format differs from bank to bank, but they all require the signature of the Secretary of the Society. Most also require a list of officers, their names, and their signatures, and some also state the number of signatures per transaction stipulations on this document.

Not all banking institutions require this document. The SCA has a signed Corporate Resolution available at www.sca.org. Bring this to the bank and see if they will accept it. If not, use their form, which must be sent to your Kingdom Exchequer, who will forward it to the corporate level. Do not fill in any of the blanks on the resolution unless there is a place for the signers or signatures on the account (do not sign where it says "Secretary"; that will be used by the Corporation).

Always send these forms at least Priority mail. In order to expedite the process, include a postage-paid envelope addressed to the Corporate Office for the Kingdom Exchequer's use.

Send Corporate Resolutions directly to the Kingdom Exchequer. They will be ignored if they are sent to the Corporate Office. Do send a note containing the branch name and a SASE so the completed resolution can be sent back to the proper place. If you are sending multiple account forms, paperclip the signature card to the corresponding corporate resolution and the SASEs required to send the forms to the proper places.

If you have sent the forms in and haven't gotten them back in a reasonable time (6 weeks), call the Kingdom Exchequer to find out if they got the forms. If he or she had passed the form on to Corporate, have the Kingdom Exchequer call the Corporate office to politely ask if they have seen the forms. It may be that it got lost in the mail. If necessary, repeat the process with new forms.

G. Making Deposits

Only signatories should make deposits. Keep record of every check deposited, including the check number, the name on the check, the amount, and the check's purpose. If your bank does not charge for deposits (or have a limit on free deposits), make separate deposits for separate purposes (i.e., make a separate deposit for newsletter subscriptions and demo donations).

H. Making Withdrawals

Only signatories may make withdrawals, in writing, **using a check** made out to a person or an organization. (SFP XI) **Cash withdrawals are not allowed.** If you need cash for a change box, write a check out to someone as an advance that they can convert into cash. Many thefts have involved checks made out to Cash where it was impossible to determine for what the funds were used. **NEVER make payments from a cash box.**

I. Web Bank Statements

Web bank statements are to be "View Only". These do not replace the paper statements required under Account Controls above.

II. MANAGING ASSETS AND ACCOUNTS

Once your branch or guild is established, sufficient reserve funds should be set aside in order to cover any newsletter subscription liability, and to keep the account positive in case of disaster. The amount will differ from branch to branch,

but a good rule of thumb is to add your newsletter subscription liability to the total expenses for one of the branch's usual events, and keep that amount as a reserve. Having more than that in reserve is fine; there is no upper limit for amounts a branch may keep. If your branch or guild is just starting up, don't worry about this too much - you may take some time to build this up.

More advanced Exchequers might want to keep track of this reserve amount in a separate fund. Fund accounting is covered in section X in this chapter, below.

A. Managing Assets and Accounts

Managing non-cash assets is covered in Chapter 5. Branches may have other accounts as well, such as safety deposit boxes, or arrangements with storage companies. Treat safety deposit box accounts as cash accounts for signatories.

Only signatories may sign checks.

1. Investment Planning

Some large branches have large amounts of money. In order to take advantage of this money, it should be invested to realize a return on the investment. There are several options available from banks, including savings accounts, CDs and money market accounts. It is not be advisable to invest in stocks without approval from the Treasurer, as the risk to the principal is higher than any investment instrument offered by a bank.

First, figure out how much cash you need to keep in the checking account to do business. Frequent movements between investments and checking to pay the bills will remove the interest opportunity and perhaps cause extra fees to be charged. Try to keep an amount equal or greater to the amount of ordinary expenses paid in a quarter or half year period in the checking account so that if you need to pull funds from investments, it would have to be quarterly or semi-annually, and you can plan for when your investments may become available to coincide with these time periods.

a. Savings

Most savings accounts don't offer much interest unless there is a sizeable principal. This should be used to hold funds that need to be kept available at all times. Chances are that getting a checking account that pays interest would be a better bet, but it is worth noting as an option.

b. Certificate of Deposit (CD)

CDs are very popular as forms for saving money. Longer term CDs for larger amounts of money pay higher yields in interest. One popular method is to have half of the total amount to invest in annual CDs with high yields, and the rest in semi-annual or 3 month CDs that have staggering maturity dates. This way, every three or six months there is an opportunity to pull funds from a CD coming due without penalty.

c. Money Market

Banks have different forms of money market accounts – some treat them like high-yield checking accounts, and others treat them more like CDs. Investigate whether these investments would fit your kingdom's need and not cause undue charges if funds need to be removed at any time.

2. Budgeting

Some branches are large enough to require annual operational budget planning. Each event should have a pre-approved budget. Operational budgets need to be developed during the fourth quarter for the next calendar year. Here are some suggested ways for developing budgets. Once approved, budgets should be published to the populace in some manner, either in the branch newsletter, or on the branch website.

a. Income

Most branches are fortunate enough to have a large event with a built-in profit that can be used as a basis for the annual income. These are mandated by the financial policy for the event, or must be predicted on past performance. The rest must survive on investment income, and solicited donations. Make sure you know the expected income and from where it will come when you start your budget process for a year.

For example: Branch A can expect \$500 from a large annual event, plus another \$500 from demos, and \$50 in interest income from rolling CDs. Their estimated annual income for the next year is \$1050.

For example: Branch B can expect \$100 from their annual event, \$200 from demos, \$15 from interest income, and \$35 from general branch fundraising. Their estimated annual income for the next year is \$350.

b. Expenses

Most branches spend most of their operating expense money on office expenses and site rental each year. Some branches also allocate funds for their officers to travel to kingdom events or kingdom officer meetings. Some branches also have funds for special projects, such as buying a pavilion, but those funds usually don't have standard annual budget allocations.

III. INCOME

Also called Revenue, this is the money that we gain during a period of time. This is separated into several categories: Fund Raising, Direct Contributions, Activity Related Income, Transfers In, Interest Earned, Inventory Sales, Other Sales

Income, Newsletter Subscription Income, Advertising Income, and Other. Non-cash revenue types are Donations-in-Kind and Improvements to Regalia, which are covered in Chapter 5.

A. Fund Raising

Fund raising is **non-medieval activities** performed specifically to earn money. It doesn't matter where the money comes from to the US IRS. Examples are raffles, auctions, car washes, and bake sales.

Internally, we want to track our internal fundraising efforts separately from the external fundraising efforts. Internal fund raising happens at events and SCA functions. The main target audience is our own populace. External fund raising efforts happen outside of SCA events and functions. The main target audience is people who aren't our participants.

Please make sure that any fundraising activities we do reflect the SCA in a positive way. Don't mix casino nights (once you have made sure that any activities are legal according to the local laws) with alcohol – we don't want anyone to get the impression that the two are related. Never take any chips sold back in for reimbursement – that's treating it as money and is contrary to our policy regarding coinage (CP XI).

Lastly, please don't auction or raffle off any items that require a modern license to use, or involve an age limit. We don't want to be responsible for checking for these things so it is better to just not use those types of items in fundraisers.

1. Raising Money for Other Charities

From time to time, charitable concerns appear to which we would like to donate, like disaster relief funds. Unfortunately, most disaster relief funds are not also 501(c)(3) organizations. **Example:** trust funds for families of deceased populace. A 501(c)(3) organization such as the Society cannot donate to these other organizations and funds.

If it is the wish of the populace to make a donation as a group to funds of this sort, the money must never enter an SCA account. Collect the money to be donated separately (by pass-the-hat or by holding fund raisers that specifically advertise the destination of all funds raised), and donate the money directly to the fund.

B. Direct Contributions/Donations

These are further separated into four categories: two cash categories and two non-cash category (Donations-in-Kind and Improvements to Regalia are covered in Chapter 5). The two cash types are: Donations and Stale Checks.

1. Donations

Donations are where we **do nothing**, and are given money without obligation. We don't have to do anything to justify the donation other than exist.

2. Stale Checks

If we write a check to someone, it is never cashed, and it is never replaced (either they tell us not to bother or we can't get back in touch with them to find out what happened), it becomes a donation.

C. Activity Related Income

Income and fees stemming from **medieval activities** at events, in activities for which the Society was created, are considered event-related income. Examples of these activities include revels, feasts, tournaments, workshops and collegia. Fund-raising activities that occur at an SCA event, where the fund-raising activities are not an integral part of the event, such as auctions to benefit a Royal Travel Fund, are considered *Fund Raising Income*.

1. Income from Demonstrations and Activity Fees

These are donations from other public entities in return for demonstrations. These are also fees charged to do medieval activities, such as heraldic registration or authorization in combat.

a. Income from Demonstrations

These are donations from other public entities in return for demonstrations (from Boy Scouts, schools, etc.) or for supporting another organization (such as providing entertainment or table service at an awards dinner).

b. Income from Heraldic Submissions

The Society sells registration of names, devices, and badges through the College of Arms. Each Kingdom sets its own price. If the item does not pass, the client (person who selected the item) is usually allowed to resubmit within a year of rejection at no additional cost.

Heralds are not permitted to maintain their own bank accounts without written permission from the Kingdom Exchequer. Any herald who maintains his or her own account separate from the branch account must be warranted as an Exchequer. This includes Kingdom Principal Heralds. Most of them have the Kingdom Exchequer do the financial work, or they and the Kingdom Exchequer jointly appoint an Exchequer for the account.

The submitting Herald (the person who collects the money and sends on the paperwork for evaluation) is sometimes allowed to collect extra money over the total fees, to cover costs of copying and mailing the submissions. Any money left over is allowed to be kept to purchase research books or heraldic supplies for the branch. Some heralds choose to have the client make the copies themselves. Some accept stamps to cover postage costs, which don't need to be reported to the Exchequer.

There are two ways of handling this money: Client Pays Kingdom, and Client Pays Local.

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i. Client Pays Kingdom

Have the client make out a check to the Kingdom (or Kingdom College of Herald; your Herald will know). These checks are all sent with the submission packet to the next higher level, the College of Arms. The plus for this method is that the submission money never touches the Herald's hands - it goes directly to Kingdom level. If the branch Herald declines to accept any extra money, they don't need to report to the Exchequer. If they do accept any extra money, they must work with the Exchequer to properly report the income. The drawbacks are that checks don't get cashed until months after the original submission. Use of money orders can reduce this problem.

ii. Client Pays Local

Have the client make out a check to your branch. The Exchequer records this as *Activity Related – Activity Fee*. When it comes time to send in a submission packet, the Exchequer makes a check out to the Kingdom (or the Kingdom College of Herald), and records it as a Transfer to Another SCA Account within the Kingdom. The plus for this method is that populace checks get cashed right away (and the extra money can be included in the check). The drawbacks are that the Herald must now work with the Exchequer to make sure that checks are cut to include with the submissions packet, and the Exchequer must track the expenses.

2. Event Income

Any fees that the Society charges its participants for entrance or participation in an event or SCA function.

D. Funds Received From Another SCA Account

These are any funds that have been transferred to your account from another SCA account. Particular attention is paid to which account the money came from, because this has to be cross-referenced to the sender's Financial Report Packet. This is explained further under VIII below.

E. Interest Earned

A branch may keep their funds in interest-bearing accounts such as Money Market, savings and Certificates of Deposit. Income from these accounts is reported as Interest Earned.

F. Inventory Sales Income

A branch is allowed to sell inventory at cost, or for a profit. The income from these sales, based on the net profit, is reported as Inventory Sales. See Chapter 5 for instructions regarding selling inventory.

G. Other Sales Income

This income is from sale of assets that are not Major Inventory, such as old regalia or depreciated property, or minor inventory. See Chapter 5 for instructions regarding removal of assets.

H. Newsletter Income

Income from the sale of branch newsletters is reported as Newsletter Income. See Chapter 10 for instructions on financing a newsletter.

I. Advertising Income

Income from the sale of advertising space is reported as Advertising Income. See Chapter 10 for instructions on taking and reporting advertising.

J. Other Income

Use this category only as a last resort - it is very rare that this entry should be used. This is for any income that doesn't fit anywhere else. Any entries here are itemized on the **Income Worksheet**. Valid examples are: corrections to prior years that result in balance sheet changes and require a balancing entry on the income side of the income statement; insurance proceeds.

IV. ALLOWED EXPENSES

All expenses must meet Society and Kingdom Financial Policy guidelines. Any expense must show substantial benefit to the exempt purpose of the Society. **Under no circumstances should expenses be made in cash or reimbursed from the cash box at an event. All reimbursements must be made by check, so we have the audit trail a check provides.**

A. Categories of Expenses

The Kingdom or Society Exchequer must approve all questionable expenses. Most expenses are split into three categories: *Office and Administration*, *Activity Related*, and *Fund Raising*.

1. Activity related – What We Do

Events are activities for which the Society was created: research and education about the period prior to the year 1600 A.D. This category is for things that relate to any medieval recreation activities that the branch engages in, such as events, royalty expenses, class supplies, etc. Most of our activities are events, classes and courts. Classes often occur at

events, but not always. Events often have classes, but not always. Courts occur at events, but not always. Events may have courts, but not always.

a. Events

An Event is any situation where several SCA members gather to share knowledge. Kingdoms have several Kingdom events, and each branch usually hosts at least one event a year. Events require a site to occur (Occupancy), and may have other additional expenses depending on the activities taking place at the event. Most events have site tokens (Supplies) to show who has paid their entrance fees.

b. Classes

Part of our educational mission is to enable people to learn skills that would have been practiced in period. To do that, we hold classes where someone knowledgeable about a certain topic can educate or train others. Some of these classes involve a hands-on activity that requires durable goods or supplies.

There are two kinds of supplies for classes – durable and consumable. Durable supplies would be re-used many times, such as a kiln, tools, and molds. Consumable supplies are used only once in the creation of an object, such as glass rods, wax, clay, paper, paint, pewter alloy blocks, etc.

It is allowable to pay for equipment and supplies for classes where the attendees will be making scrolls or award tokens to be used by the Kingdom (see below).

It is also allowable to pay for equipment and supplies for classes where the attendees will be able to take home what they make with the supplies, with a few restrictions: Open attendance, equitable benefit, and reasonable cost.

- Open attendance means that anyone can decide to participate in the class without restriction. If a class is offered once that winds up with very low attendance, care should be taken to change the class to attract more attendees, instead of having the same class repeatedly for the same people in the same location – then it looks like the SCA is paying for only that small group of people's enjoyment, and we want to avoid that.
- Equitable benefit means that the value derived by any one person from the effort should be the same as the value derived by any other person from the same effort. We can't have someone keep a valuable object created by the class where the supplies were purchased with SCA funds when another person in the same class can't have the same valuable object. An example would be someone holds a class on woodworking using one large wooden trunk that only one person gets to keep at the end of the class. That wouldn't be fair. If the box was the prize of a raffle where all class participants could enter, that is allowable – everyone has the same chance at the prize.

We also can't have one person get \$20 in supplies and another gets \$10 in supplies. The supplies have to be able to be divided equally among the participants.

- Reasonable cost means that the total value of the supplies used by an attendee to create the resulting object that they keep after the class shouldn't be more than about \$25 per person, or \$500 for the entire class. This limit is for consumable supplies – not for durable items that would be used multiple times, such as a kiln. These figures are only guidelines – the Financial Committee has to decide for their own purposes what the limits are for their branch.

For more expensive classes, the expense could be shared between the SCA and the attendees to create a discount and make the class more affordable for more people. Even then, the per-person share of the SCA funds should be reasonably low.

It is advisable to get advance registrations for such classes so that proper supplies can be purchased, rather than purchasing supplies for a class of 20 at \$20 each, and have only 5 people show up.

Allowable examples: yarn for a tassel-making class, small inexpensive wooden boxes and wood burning and carving tools for a box decorating class, leather and sets of leather embossing tools for a leather embossing class, paint and paper for an illumination class, a kiln for annealing beads where several people in the branch participate in making beads, silk for a sewing class where small pouches would be made using small amounts of the silk, cheap muslin for a sewing class to make customized patterns.

Not allowable examples: semi-precious or precious gems for a gem-cutting class (high \$\$), carboys and supplies for a brewing class (CP VIII), silk for a costuming class where full-size garments would be made using large amounts of the silk (high \$\$), large oak trunks for wood burning and carving class (high \$\$), a kiln where only one person is interested and uses the kiln for a private bead sales venture (conflict of interest/inurement). In instances where the example is not allowed due to high dollar amounts per person, it can be made allowable by reducing the amount per person spent by the SCA to an allowable level and having the attendees cover the rest.

Remember: public resources are to be used for public benefit. Care must be taken so that any effort using SCA funds to create objects that then go to individuals are not seen as excessive or improper. *It is not allowable to use a class as a method of creating an elaborate personal gift for a specific person, such as Royalty or Baronage.*

i. Metal Tokens or Artifacts

Some Kingdoms have organized minting or coin-making activities. In order to stay clear of any civil laws regarding currency, we may only hand out or sell these tokens. We cannot not honor them as currency, exchange them for modern currency, or otherwise treat them as valid currency. Merchants may decide, on their own, to honor

tokens as currency, but no merchant is required, nor can we require a merchant, to honor any such token as currency. (CP XI)

c. Courts

Part of any successful organization involves finding ways to recognize participants. Our method is for the Crown to hold Court to publicly acknowledge people for their work, and hand out scrolls and tokens for awards. Most tokens are medallions.

It is permissible to pay for materials to make scrolls and award tokens. It is also permissible to pay for finished award tokens from vendors, provided that the cost per token is reasonable (<\$20 each). It is also permissible to have a class where groups of people learn skills while making award tokens.

The scrolls and tokens are made for a generic group of people who can decide to do the work required to earn the award, and the scrolls and tokens usually aren't made of highly valuable materials so the individual gain per person would be small. We won't discuss here the subjective process of determining who deserves or gets an award.

The prohibition on giving gifts does not apply here – for gifts, the giver targets a gift to the recipient as an isolated incident. The Crown chooses award token recipients based on the recipient's activities, and the Crown gives similar tokens to many people during their tenure according to published guidelines. Therefore, award tokens and scrolls are not considered gifts.

Some Kingdoms centrally order scroll supplies and provide them to the artists to complete. They get a bulk-buying price that keeps the expense per scroll low. Others order award tokens in bulk for the Crown to hand out.

As long as the distribution is not intended to be specific to a few individuals related to the giver (like the Crown's household), and the actual benefit per person is generally small (< \$20), there isn't a problem with the SCA funding tokens of appreciation for established awards. If one person gets this benefit more than two times in a year, then there may be an issue as the individual limit for benefit from charitable organizations is quite low.

Allowable examples: head fillets, leather medallions, glass or ceramic beads or medallions, pewter medallions.

Not allowable examples: metal coronets, jewelry with large precious gems or large amounts of small precious gems, scrolls with a significant amount of real gold foil.

2. Office & Administration – Tracking and Reporting What We Do

This category is for expenses that deal with maintaining basic operation of the branch or guild. These expenses are usually related to an office or newsletter.

Postage, envelopes, paper, telephone expenses, toner cartridges, miscellaneous copying, site rental for meeting space, etc. are all examples of office expenses. Official publications, reference materials, and newsletters come under this category. Software for maintaining reports is also allowed, and the license for such software must be passed between officeholders, subject to the licensing agreement - i.e., if the branch purchases a licensed copy of Microsoft Excel, the current officer uses it until the office changes hands. At that time, the software must be removed from the retiring officer's computer before it can be installed on the new officer's computer.

3. Fund Raising – Raising Money for What We Do

These are any expenses incurred in preparing for a Fund Raising activity such as soap and sponges for a public car wash, tickets for a raffle at an event, costs of items raffled off at an event, or baking supplies for a bake sale at a library.

B. Types of Expenses

1. Advertising (NON-SCA)

This category is for any paid advertising in non-SCA publications. If we create an ad to put in a newspaper or magazine to advertise a demo in a public park to help find new members, the advertising cost would be reported here under *Activity Related*. If we pay for an ad in a newspaper to advertise a Garage Sale that the branch is holding, the advertising cost would be reported under *Fund Raising*.

2. Bad Debts

This category is to allow the expense of debts that will not be collected. The Financial Committee must vote on whether any receivable is to be no longer pursued and removed from the books using this category. Until that happens, any debts are considered *Receivables*.

Bad debts are categorized by what the original debt was for. If the original debt was for something administrative, write off the debt under the *Office & Administration* category. If the original debt was for an event or educational activity, use *Activity Related*. If the original debt was from a fund raising activity, use *Fund Raising*.

3. Bank Charges

Bank charges are any fees charged from use of the account. Monthly service fees would be listed under *Office & Administration*. Bounced check charges are listed under the category the original check would have used. Money Order creation charges are listed under *Office & Administration*.

4. Equipment Rental & Maintenance

This category includes site rentals and rentals of other equipment, such as chairs and tables. This category also includes costs to maintain equipment that the branch owns, such as trailer maintenance, banner dry-cleaning, sewing machine tune-ups, pavilion cleaning services, computer maintenance services, etc.

5. Equipment Purchase

Pavilions, thrones, regalia, sound systems, trailers, walkie-talkies/CB, etc. are examples of event-related equipment. If the price is more than \$500, the item gets reported under Purchased Equipment [or Regalia] instead of under General Supplies. See Chapter 5 for details on Equipment.

It is allowable for branches to purchase equipment to facilitate branch members learning a new craft or skill. Examples would be: torches and glasses to learn lampworking; armoring tools to learn armoring; screens and a drill to learn papermaking; a drafting table to learn calligraphy and illumination. Branch equipment must be made available to the branch members for use using reasonable appointment scheduling.

6. Fees & Honoraria

Fees and Honoraria may be paid to someone (regardless of whether they are a paid member of the SCA) to provide a service: teach a class, deliver a lecture, or similar type of service that enhances or encourages our tax-exempt purpose. For example, hiring a professional costumer to come teach a class at a Collegium may require the payment of an honorarium or workshop fee. Honoraria are meant to not only pay for the service, but also to cover the recipient's expenses. So if you give someone a flat fee to provide a service, you wouldn't also pay expenses, for example, travel.

Other fees would include shopping club membership fees, web hosting fees, and trailer registration fees.

Training for an officer for the benefit of the entire branch is allowed (for example, basic food service training, leading to certification in order to secure event sites with kitchens). The materials from the class belong to the branch, and the trainee should make an effort to share what they have learned with the rest of the branch afterwards.

Fees or honoraria paid of \$600 or more to one person per year will require that the Treasurer issue a Form 1099 in January of the following year. See IX.E. below.

7. Food

Food for open business meetings would be reported under *Office & Administration*, food for feasts and cooking classes and gate snacks would be reported under *Activity Related*, and food for bake sales would be reported under *Fund Raising*.

8. General Supplies

This is the catchall bucket for anything tangible that doesn't fall into another category.

Office supplies are listed under *Office & Administration*. Examples are: paper, ink cartridges, file folders, file boxes.

Event and class supplies are listed under *Activity Related*. Examples are: poster board, rope, wood for list ropes, fabric for list rope flags, beads for site tokens, serving dishes, cooking equipment, glass rods for lampworking classes, leather for leatherworking classes, pewter for pewter casting classes, etc.

Fundraising supplies are listed under *Fund Raising*. Examples are: poster board, raffle tickets, car soap & buckets for a car wash, etc.

9. Insurance (NON-SCA)

Insurance listed here is NOT the SCA insurance. This is insurance paid to a site owner to be named on **their** policy, or a rider fee paid on someone's homeowner insurance to cover SCA property (and they should have a signed lease form showing that they have the property to be insured). Insurance is really only *Activity Related*.

10. Occupancy & Site Charges

Occupancy of rooms for meetings is *Office & Administration*. Occupancy of sites for events and classes is *Activity Related*. Occupancy of a room, tent, parking lot, etc. for a fundraiser is *Fund Raising*. Hotel rooms would be reported under *Activity Related* for Royalty and *Office & Administration* for officers.

Occupancy charges paid of \$600 or more to one person per year will require that the Treasurer issue a Form 1099 in January of the following year. See IX.E. below.

11. Postage & Shipping, PO Box Rental

Any postage or shipping charges and PO Box rental charges are reported here. Postage for newsletters or official branch business such as mailing in reports is listed under *Office & Administration*. Postage for event flyers or event documents and contracts would be reported under *Activity Related*. Postage for contracts or documentation regarding fundraising activities would be reported under *Fund Raising*.

12. Printing & Publications

Printing and copying charges are reported here. Printing for newsletters or branch reports is listed under *Office & Administration*. Printing for event schedules, posters or site information is listed under *Activity Related*. Printing for notices, bid schedules, etc. for fundraising activities is listed under *Fund Raising*.

The only exception to this is if the publication has advertising – the portion of the publication costs that correspond to the percentage of the publication that is advertising is not listed here – it is deducted from the advertising income. See Chapter 7 for more information on how to report advertising income and expenses.

13. Released Equipment

This is where equipment that is reported as an Asset is removed from the report. The category corresponds to the category of the item being removed.

14. Telephone

Telephone costs can be reimbursed for calls made on SCA business. Itemized long distance calling bills can be used, or phone bills for dedicated lines. For officers with bulk calling plans, up to 50% can be reimbursed for Kingdom officers, and up to 30% can be reimbursed for branch officers. Internet monthly charges for officer use may also be reported under telephone. This is different from web-hosting fees, which are reported under Fees.

For the Crowns and Kingdom level officers, the Kingdom Exchequer may reimburse monthly costs at up to 50% for non-dedicated bulk plan phone lines and Internet service plans. Kingdom Financial Policy may be changed to restrict this further. Submit a copy of the bill directly from the provider showing timeframe of service as the receipt.

For officers in the SCA below the rank of Great Officers or the Crown, the Kingdom Exchequer may reimburse monthly costs at 30% for non-dedicated bulk plan phone lines and Internet service plans. Kingdom Financial Policy may be changed to restrict this further. Submit a copy of the bill directly from the provider showing timeframe of service as the receipt.

If Great Officers or Crowns use a dedicated phone line that is used SOLELY for SCA business, 100% reimbursement is allowed. The bill from the provider showing timeframe of service is the receipt.

15. Travel (Gas, Tolls, Airfare)

Travel for Royalty to events where they do Royal business such as hold court is allowed, and is reported under *Activity Related*. Reimbursement for travel for officers in fulfillment of the duties of that office (for example, a Kingdom Earl Marshal traveling to Crown Tournament to run the Tournament) is allowed, and is reported under *Office & Administration*. Travel for officers to meetings such as symposiums is allowed if that person's attendance is of benefit to the branch sponsoring the travel.

Reimbursable travel expenses are airfare, gas, and tolls, or the IRS charitable rate for mileage traveled. Insurance, repairs and tickets are not reimbursable. The SCA does not rent cars, however the SCA may reimburse receipts for car rentals.

When intending to get reimbursed for gas purchases, please use the following procedure:

- a) Start with a full tank.
- b) Execute the SCA travel, saving receipts for any gas purchases made during the travel.
- c) Fill the tank at the end of the travel, and save that receipt too.

Gas purchased after the full tank at the start of the trip would be reimbursable as long as there is a budget category and/or a financial committee approval.

If the purpose of the trip is to transport **stuff** one way, only one way's worth of gas should be considered reimbursable. Note the word **should** – Financial Committees can decide to reimburse for round-trip based on circumstances.

We shouldn't honor receipts for a fill-up **before** the trip - because we can't:

- a) Control how low the tank was before the travel starts, and
- b) Be sure that all the gas purchased was used for SCA travel.

Note the word **should** - Financial Committees can decide to honor them based on circumstances.

C. Funds Transferred To Another SCA Account

These are any funds that have been transferred from your account to another SCA account, such as inter-branch loans, trust funds for forming branches, donations to Kingdom funds, etc. Particular attention is paid to which account the money went into, because this has to be cross-referenced to the receiver's Financial Report Packet. This is explained further under VII. Transfers To And From Other SCA Accounts.

D. Other Expenses

Use this category only as a last resort - it is very rare that this entry should be used. This is for any expense that doesn't fit anywhere else. Any entries here are itemized on the **EXPENSE DETAIL PART 2 form**. Valid examples are:

- Corrections to prior years that result in balance sheet changes and require a balancing entry on the expense side of the income statement.
- Correction for checks that cleared the bank in an amount different than what was recorded. For example, a reimbursement check written for \$75.50, and clearing the bank for \$75.60 - in this case, the verified receipt is only for the smaller amount, so the additional expense would be better off as "other".
- Paying the deductible on an insurance claim; reimbursement for property damages not covered by insurance.

V. EXPENSES DISALLOWED FROM SCA ACCOUNTS

There are specific conditions that disallow expenses. If any of these conditions are met, the expense may not be made from an SCA account and cannot be reimbursed. A general rule of thumb is: If you can't find a place on the Financial Report Packet to place that expense, there's a good chance it isn't allowed.

A. Money may not be used in whole or in part to the benefit of private individuals or businesses.

These include, but are not limited to, disaster relief funds, special occasion gifts to members such as flowers or a birthday present, or replacement of private property broken at an SCA function.

1. Specific disaster relief funds are usually not 501(c)(3) organizations.

For example, the Meridian Hurricane Relief Fund (from Hurricane Katrina) was specifically targeted at relief for Society folk left homeless by the hurricane. SCA accounts could not donate to this fund; they could donate to the Red Cross instead. If there is a desire to donate to specific disaster relief funds that are not 501(c)(3) organizations, take up a private collection.

2. Special occasion gifts to members purchased with SCA money are disallowed because of disallowed benefit to private individuals.

(CP III) If there is a desire to buy a special occasion gift, take up a private collection. Gifts are not prizes. Prizes require the recipient to complete some task in order to receive the prize. Gifts have no such pre-requisite task.

3. Replacement of private property broken at an SCA function is disallowed.

If private property is broken at an SCA function, the owner and the person responsible for the damage must work it out between themselves. If the branch members feel that they are responsible and wish to pay as a group, take up a private collection.

4. Membership in the SCA, Inc. for private individuals.

It is not allowed to use SCA funds to purchase memberships for individuals, even if it is just so that person can be an officer. Pass a hat instead.

B. Money may not be spent on events closed to the general populace and without a specific administrative agenda (SFP IX.E).

This includes Royalty Dinners, Peer Parties, or similar events. Special expensive dishes presented at a feast intended for the consumption of only a few people is allowed, although strongly discouraged.

C. Money raised for a special project or event may not be used for a different project or event.

For example, money raised to put out a newsletter may not be used to purchase a pavilion. The people who donated the money expected that the money would be used for the purpose to which they donated. If the money is used for something else, that person has a legitimate grievance. Since the money cannot be returned once donated (we don't want to open that bookkeeping can of worms), we want to avoid this problem at all costs. See section X below for how to manage dedicated funds.

If the purpose of a fund becomes untenable or impossible, the Financial Committee can vote to reallocate those funds, but there must be some sort of notification to the populace or at least to the identifiable donors that this decision will be or has been made so that they may comment or object.

D. Money may never be loaned to individuals, nor do we accept loans from individuals.

The SCA is not a lending institution.

E. Money may not be used to purchase alcohol in more than small quantities (CP VIII) and Fireworks (SFP XIV.B).

Small quantities of potable alcohol used solely in cooking (so the alcohol is cooked off) are allowed, as are other types of alcohol in small quantities for art or science projects or topical medical use.

VI. REIMBURSEMENTS

Reimbursements can be made only with receipts! Society Financial Policy requires advance approval for any monies spent, either individually or as part of a budget. Obviously, if someone submitting receipts has not received approval for those expenses, you do not have to reimburse them. However, your Financial Committee may decide to reimburse them anyway. It would be polite to at least ask the Financial Committee if someone submits a receipt for an expense that hasn't been approved.

If receipts are not available for some reason, the financial committee may decide to accept a credit card statement or a written statement. But the financial committee is not required to accept either of these as proof of expense.

Do not write reimbursement checks for more than the amount owed. The SCA is not a currency exchange.

VII. DIRECT PURCHASES

Using a check at a store for an approved expenditure is allowable and quite common. The receipt is simply collected at the time of purchase. When purchasing from a mail order company, the check must be made out directly to the vendor. The packing slip will be a sufficient receipt if no other receipt is available.

VIII. TRANSFERS TO AND FROM OTHER SCA ACCOUNTS

Funds and other assets can move between branches of the Society. Popular examples are: branch to Kingdom Newsletter for an event announcement or towards a special issue; branch to Royal Travel Fund; branch to branch loans; etc. Branch-to-branch loans are popular for helping new branches start, or established branches to hold larger events. As far as the reporting is concerned, the loan doesn't exist, just the transfers. All transfers to Kingdom Newsletters should come directly from the branch account.

Special care must be taken to record the name of the other account involved in the transfer because at year-end, the other account's report will be checked to make sure that the transfer appears on both reports. The Kingdom Exchequer must make sure that all money reported as transferred out within the Kingdom matches the amount reported as transferred in within the Kingdom.

Most Kingdoms have Transfer to Another SCA Account Forms. Use this form, or write a similar letter to send with the check.

When transferring a Non-Member Surcharge payment, use a Non-Member Surcharge Submission Form for your Kingdom instead of a Transfer form because you also need to show the attendance figures.

A. Reimbursing Transfers

If someone pays personally for an event ad in the Kingdom Newsletter, or for an Insurance Rider or Stock Clerk purchase from the Corporate Office, it is allowable to pay him or her back and report the expense as a transfer. The receipt would either be a copy of the cancelled check or receipt from the Corporate Office for their credit card charge.

Care must be taken to make sure that the Kingdom Newsletter Exchequer records the income as a transfer, so if a personal check is sent to the Kingdom Newsletter, a note should be included to let the Kingdom Newsletter Exchequer know. Otherwise, the Kingdom Exchequer will have to investigate why your branch had an outgoing transfer and the Kingdom Newsletter didn't have an incoming transfer.

For transfers that are reimbursed, put 'reimbursed' as the check number for the report forms.

B. Exceptions

1. A transfer to a branch that is a part of a non-U.S. corporation is reported as a **Donation to Another 501(c)(3) Organization, not a transfer.**
2. A transfer to a branch outside the country is reported as a **Donation to Another 501(c)(3) Organization, not a transfer.**
3. Transfers from branches outside the country are reported as **Direct Contributions.**

IX. SPECIAL PROCEDURES

A. Advances of Funds

In the case where large expenditures are needed and it is overly inconvenient to use a branch check, the Financial Committee may approve an Advance of Funds.

Advances may be made for the approximate amount of purchases, and sufficient documentation as to the approximate prices must be submitted to the Chancellor of the Exchequer when the request is made.

The amount of any Advance is considered a Receivable item, and must be reported as such until the entire amount of the advance is turned in to the Exchequer in receipts and/or cash. Advances must be reconciled within 60 days following the date of the advance. Failure to reconcile the advance within 60 days will be grounds for administrative sanction. The Financial Committee may grant one thirty-day extension.

Cash advances are not petty cash funds. Petty cash funds are not allowed. Cash advances are to an individual, are for a specific purpose and is reconciled against receipts from that specific purpose.

1. Issuing an Advance of Funds

When a cash advance is requested, the requestor submits a list of intended purchases with the estimated costs. Once the Financial Committee has approved the advance, a form is filled out with this estimated expense information, and the advance is issued by check. Most Kingdoms have forms to use for this purpose; check with your Kingdom Exchequer for the form you should use.

Never issue an advance of funds in cash, because we need the audit trail a check will provide. The amount of the advance is reported under *Receivables* on the **Comparative Balance Statement**.

Advances should be issued using a check made out to the person. In some rare cases, an advance may be issued using a pre-purchased 'gift card' from a store, such as a grocery store. The Exchequer goes to the store with a proper check

made out to the store to purchase a gift card in some amount. If a 'gift card' is used as an advance, all other rules regarding paperwork and receipts, timeframes for reconciliation, and return of cash or the card with the unused credit is still in effect. **The only difference is that the means of the advance is using a card instead of a check.** Some kingdoms have specific rules regarding the use of these cards as advances. Misuse of gift cards may result in administrative sanctions or prohibition against using gift cards as advances.

2. Reconciling an Advance of Funds

When the advance is reconciled, the sum of the receipts and cash presented must equal the amount advanced. For example, Lady Maeve is advanced \$200 for a feast. After the feast, she presents \$175 in receipts and \$25 in cash or personal check. The money is deposited into the branch bank account and the receipts are recorded according to their expense category (*Activity Related*) and type (food, supplies, etc.). This advance is considered reconciled. The receivable item is removed from the books, the Advance Request Form is completed with the amounts of receipts and cash returned, and is filed.

Failure by the recipient of a cash advance to account for or return the cash advance within 60 days of time may result in administrative sanctions, legal action, or reporting the amount of the advance to the government as income.

B. Site Deposits

Site deposits are recorded using a set process. When the check is cut for the deposit, the amount is moved from Cash to Other Asset. The reason is that the money is our money, held by someone else until something happens (the event). We don't know if we will get some or all of it back until the event actually happens. Some site deposits are considered 'rolling' – they don't ever get returned because after one event happens, it is used as a deposit for the next event.

For non-rolling site deposits, after the event happens, the amount gets reported as a receivable until such time as the full amount is either returned, or we receive a statement showing what the site deposit was used for with the excess returned to us.

If the original check was just returned to us, the funds get moved back into cash and the check is voided.

C. Returned Checks

If the bank returns a check, the amount of the check and any fee charged is recorded under *Receivables*. If the total amount is received later, the *Receivable* amount is moved back into *Cash*. If only the original amount is received and the Financial Committee does not choose to pursue the fee amount, the amount received is moved from *Receivable* into *Cash*, and the remainder (the fee) is expensed under *Bank Charges*.

If the amount is never recovered, the Financial Committee can decide to write it off. The entire amount in *Receivable* is expensed under *Bad Debt*.

D. Donating To Other 501(C)(3) Organizations

We are allowed to donate money to other organizations formed under the same U.S. IRS rules or incorporated as non-profit in another country. Donating means that we don't receive anything in return, such as use of a building (which would be reported under Occupancy). Candidate organizations in the U.S. are the Red Cross, the United Way, Make-A-Wish Foundations, etc. Call the organization or check their website for their Tax ID or 501 (c)(3) status. If you have any questions about the feasibility of any donations, check with your superior officer before you make the donation.

We don't track details of donations from other 501(c)(3) organizations, only to other organizations.

E. IRS 1099 Miscellaneous Form (U.S. Only)

The U.S. IRS requires that income from U.S. branches in cash or worth more than US\$600 per person per year is claimed on personal income taxes. Income can be from prizes; renting a site from an individual (as opposed to renting a site from a commercial business); paying reimbursements in excess of the allowable maximums, for example paying mileage at a rate greater than the current charitable rate; or payment to an individual for janitorial overtime at an event.

International branches don't need to worry about this form, just the U.S. branches, even where the recipient is not a U.S. resident (we still have to claim we gave it, even though they may not claim they got it).

Traveling trophies do not need to have this form filled out -- possession is retained by the SCA because they have to give it back the next year. However, a traveling trophy worth more than the limit for reporting for Regalia (\$500) does need to be listed on the Financial Report.

The person receiving the money needs to fill out a W-9. Copies of the W-9 can be downloaded from the IRS website. (<http://www.irs.gov/pub/irs-pdf/fw9.pdf>).. The form needs to be sent to the Society Exchequer along with the amount paid and what it was for. You must also send the information on any of these transactions directly to your Kingdom Exchequer as soon as the transaction occurs. All transactions of this type must be sent to the Society Exchequer by December 31 of that year. The Corporate Office has to get the completed 1099 form to the recipient by January 30 of the following year.

X. MANAGEMENT OF SPECIAL PURPOSE AND DEDICATED FUNDS

In Society Financial Policy, it states that funds opened for specific purposes shall be used for that purpose. In the case where the primary purpose cannot be fulfilled, or there is extra money left over, the secondary purpose should be the

new goal. This is to ensure that funds raised for a stated purpose shall be used for that purpose. It wouldn't look very good for us to raise money for a pavilion for everyone's use and instead use the money to pay for a party.

Here are some directions for maintaining separate funds.

A. The General Fund

Within an account may be kept several separate funds. Every branch has a General Fund, which contains the money not allocated to any other fund. When a branch starts out, there is only the General Fund.

B. Opening Other Funds

When it comes time to dedicate funds to a cause (such as buying a new pavilion, or running a newsletter), another fund may be opened (in the same bank account). Specify the primary and secondary purpose for the fund when it is opened. If any funds (other than the General Fund) are opened and then closed, any money left over should revert back to the General Fund after meeting the primary cause or the secondary cause if the first one can't be met. For example, "The Pavilion fund is primarily for buying a pavilion. If we cannot buy a pavilion, this fund will be used to buy materials to make a pavilion. If there is money left over, or the pavilion idea is abandoned completely, this fund reverts to the General Fund."

Items purchased using a dedicated fund should be used in support of the purpose of the dedicated fund. Buying cloth to make a pavilion means that the cloth bought makes a pavilion that the branch can use. Buying cloth to make a pavilion that some selected subset of the branch uses exclusively is not allowable. Buying cloth that for some reason turns out to be not suitable for pavilion making isn't a good situation either, and remediation to get the cloth returned, or changed to inventory and sold to try to recoup the money spent would then take place. Basically, the same rules apply regarding dedicated use of assets, whether it's funds or objects.

C. Managing Separate Funds

Having more than one fund in one account requires only a little more work than keeping just one fund. There are two easy ways of keeping books to reflect the separate funds.

1. Account Ledger & Fund Ledgers

Make an account ledger for the entire account, and an additional ledger for each fund. When entering transactions: enter it first in the account ledger, then in the proper fund ledger. To reconcile, use the balance in the account ledger. Then add the balances in the fund ledgers and compare the sum to the balance in the account ledger to make sure it matches.

2. Fund Ledgers Only

Keep a separate ledger for each fund. When entering transactions, only enter them in the proper fund ledger. When reconciling the account, the sum of the balances from all funds on the day of reconciliation is the total for the account.

D. Closing Funds

When the primary purpose for a fund cannot be fulfilled, the secondary purpose should be pursued. If the secondary purpose also has either been fulfilled or is abandoned, then any money left in the fund reverts to the General Fund. Keep the fund ledger in your records for future reference.

XI. RECONSTRUCTING BOOKS

If there are sketchy financial records or no records at all for the branch for any reason (theft, disaster, etc.), the books will need to be reconstructed from other sources. Here are the steps to go through to make or supplement a branch's financial records.

A. Contact the Bank

The first thing to do is contact the branch's bank, and verify the authorized signers on the account. This is where the Kingdom Exchequer being a signatory may come in handy if no one local is available to do this.

Ask for copies of the bank statements for the last seven years (if the account has been in existence at that bank for that long). If they are available, try to get copies of all deposit slips and checks during the same time, or at least back two years, if it is affordable. The bank will provide copies of all of these items when asked (someone will probably need to make the request in person), usually for a copying fee. Don't be alarmed by outrageous copying fees quoted by the bank. The banks don't like to do this kind of work since it is very time consuming. Consider it as buying the branch's records from the bank. If the cost is exorbitant, concentrate on the most recent past first back to the first of the year.

It should be made clear to the officers involved that this cost will be incurred and that the branch must pay it. It may be possible to get the funds back spent getting the records from the bank if the record destruction was malicious (see Chapter 11).

B. Get Copies of Kingdom Exchequer Files for that Branch

The Kingdom Exchequer (or a deputy) should have copies of every year-end report filed by that branch. If the Kingdom Exchequer has other correspondence filed that is appropriate for the branch to have locally, copy that as well. Send the copies to the branch Exchequer.

C. Create a New Ledger

Once files have been obtained from the bank and the Kingdom Exchequer, create a ledger. Start with the cash in the bank from the bank statements. Review all the checks and deposits and try to recreate the reports that have been filed.

D. Document the Reconstruction

Once everything has been included and checked out, and the ledger has been recreated, the branch Exchequer should write a letter describing the situation and the subsequent actions taken. This letter is for the files, and a copy should be sent to the Kingdom Exchequer for their files as well. The Kingdom Exchequer should also review the new files to make sure that everything that can be done has been done, and any realistic prevention measures have been put in place to prevent the situation that destroyed or removed the records from reoccurring.

CHAPTER 5: MANAGING ASSETS – NON-CASH

The Exchequer is ultimately responsible for the custody and safekeeping of all assets. These custodial tasks may be delegated; however, this delegation does not in any way diminish this responsibility.

At the Kingdom level, management of non-cash assets is usually delegated, because Kingdoms own more equipment and regalia than other branches. If you feel that taking care of the non-cash assets is too much for you, find someone to help you do it and make them your special deputy. Common terms used are ‘Chamberlain’ for someone who takes care of regalia, ‘Equipment Master’ for someone who takes care of equipment and supplies, and ‘Stock Clerk’ for someone who takes care of inventory.

Non-Cash assets fall into one of six categories: Major Inventory, Minor Inventory, Regalia, Donated Equipment, Purchased Equipment, and General Supplies. Which category any item falls into depends on the answer to the questions below (except Real Estate, which is obviously land and permanent structures, and Vehicles, which is cars, trucks and trailers). FMV is Fair Market Value, which is the lower of the purchase price or what any sane person not necessarily associated with the SCA would pay to purchase the item.

Here are the questions:

- 1) Was the item(s) purchased?**
- 2) Is the item intended to be sold to others?**
- 3) Is the purchase price less than \$250 for the item(s)?**
- 4) Is the purchase price or FMV of the item less than \$500?**
- 5) Is the item used more as decoration than a tool, and/or doesn’t wear out with use?**

And here is the how the item gets reported based on the answers. If a box isn’t filled in, the answer doesn’t matter for that category.

Question	1	2	3	4	5
Major Inventory	Yes	Yes	No		
Minor Inventory	Yes	Yes	Yes		
General Supplies	Yes	No		Yes	
Purchased Equipment	Yes	No		No	No
Donated Equipment	No	No		No	
Regalia	Yes	No		No	Yes

Items that were reported before now continue to be reported, regardless of current value, until they leave the SCA’s possession. Items obtained after this date must satisfy the new limit before they must be depreciated.

There is also a lower limit for reporting Inventory in detail (thus, the Major and Minor Inventory categories). The limit is \$250 for the entire purchase or lot (either the set of items to be sold, or the set of supplies to create the items to be sold) to qualify as Major Inventory.

I. INVENTORY

Inventory is items sold to others at or above cost to either make money or to provide savings to the buyers. Items sold to make money include garb, T-shirts, cookbooks, etc. Items the branch may buy in quantity to sell in smaller quantities at cost include rattan, Known World Handbooks, etc.

If you are only selling some of your inventory (example: one copy of the cookbook is provided free to each of the contributors), then you should spread the cost of buying or creating the free items over the cost of the items to be sold.

There are three ways of obtaining inventory: buying, creating, and receiving donations.

Inventory bought for resale is finished products such as books, rattan, etc. How many you intend to sell may be less than how many you have. For example, say you purchase ten Known World Handbooks from the SCA Marketplace, and plan on keeping two copies for the branch.

Inventory created for sale can be garb, specialty cookbooks, etc. Newsletters are actually a specific form of inventory, and they are covered separately in Chapter 8. How many items you intend to sell may be less than how many items you make. For example, say you buy fabric and thread to make ten tunics to sell and two tunics to keep in your Gold Key or Chatelaine’s Closet.

Donated items for resale and inventory received from another branch are always treated as minor inventory.

Items not to be sold are: Alcohol (CP VIII) and Fireworks (SFP XIV.B).

A. Reporting Limits

Due to the many varied items being sold by SCA branches, the small amount of money involved in most of the cases, and the length of time some of this inventory is on the books, a reporting limit has been put into place. A purchase of

\$250 or more for one set of items to be sold (or the total cost of supplies to create a set of items) is required before it will be reported as Major Inventory.

Inventory purchases of less than \$250 is considered Minor Inventory, would be expensed as *Supplies – Fund Raising* when purchased, and income from the sale of those items would be reported under *Other Sales Income on the Regalia & Other Sales Income Detail*. Inventory listed on the **Inventory Detail** form, regardless of original amount, must still be reported using the worksheet until the inventory is gone (sold, discarded, etc.). The calculations below can be used to determine profitability for items under the limit as well.

B. Calculating Adjusted Item Cost

Item Cost (or Cost of Goods) is the cost it took for the branch to obtain that one item to be sold. We adjust the cost to spread the cost of all the items over the number of items to be sold, so each item sold pays for itself and part of an unsold item. By selling that one item, the branch loses that value, but gains the price paid. The difference between the total Gross Sales Income for the items sold and the Adjusted Item Cost is the Total Profit.

Inventory is tracked by how much each item to be sold cost after adjustment. Remember, if the total price paid for all items is less than \$250, the expense is listed under *General Supplies*, not on the **Inventory Detail** form.

1. Inventory bought for resale

The Adjusted Item Cost is calculated by dividing the total price paid for the items by how many of them you intend to sell. For the first example above, the total price paid for the items is the amount sent in payment for forty Known World Handbooks (\$320). The number of them you intend to sell is forty (the number of books) minus two (the ones you are keeping). The adjusted item cost would be $320 / 38$, which comes to \$8.42 per book.

$$(\text{Total price paid for all items}) / (\text{Number of items to be sold}) = \text{ADJUSTED ITEM COST}$$

The price paid for all the items (\$320) is listed on the **Inventory Detail** form as *New Lot Purchase Cost*. The number you purchased to sell (38) is listed as *New Lot Purchase Quantity*.

2. Inventory created from supplies

The Adjusted Item Cost is calculated by dividing the total cost of the supplies (fabric, thread for \$280) by how many items you intend to sell (20). In this example, the adjusted item cost is $280 / 20$, or \$14 per tunic.

$$(\text{Total cost of supplies}) / (\text{Number of items to be sold}) = \text{ADJUSTED ITEM COST}$$

The cost of the supplies is listed on the **Inventory Detail** form as *New Lot Purchase Cost*. The number of tunics created (20) is listed as *New Lot Purchase Quantity*.

C. Calculating Selling Price

Once you know the Adjusted Item Cost (AIC), you can set your Selling Price (SP). If the SP is less than the AIC, you will lose money. If the SP is equal to the AIC, you won't gain any profit, but you won't lose any money either. If the SP is more than the AIC, you will make a profit.

Make sure the SP you set is approved by the Financial Committee, and, if you will be selling at a loss, that the branch can take the loss easily. Also make sure the populace thinks it is a good price - if the price is too high, you won't be selling very many, and if the price is too low, you will sell out in a very short period of time and be sorry you didn't buy or make more.

D. Estimating Profit

Profit is the money left over after expenses. To calculate the profit you can expect, subtract the Adjusted Item Cost from the Selling Price. This is the Profit per Item Sold. For the tunic example above, let the Selling Price be \$20. The Profit per Item Sold would be $20 - 14$, or \$6 per tunic.

$$(\text{Selling Price}) - (\text{Adjusted Item Cost}) = (\text{PROFIT PER ITEM SOLD})$$

Total Estimated Profit is the Profit per Item Sold multiplied by the Quantity to be Sold. Net Income is the actual profit made. In our example, 20 tunics times \$6 each gives us \$120 estimated profit.

$$(\text{PROFIT PER ITEM SOLD}) \times (\text{QUANTITY TO BE SOLD}) = (\text{TOTAL ESTIMATED PROFIT})$$

E. Transferring Inventory Between Branches

Sometimes, a branch has some leftover inventory that they no longer wish to sell, either because they have sold all that the branch populace will buy or because the person involved with the selling needs a break. They may transfer it to another branch so that the other branch may sell it to their populace (which doesn't have any of the item yet). Because we report transfers between accounts separately, inventory purchases between branches gets complicated.

Money doesn't have to be involved in this transfer, although it may be the case where another branch buys the inventory from you. If this is the case, treat the transfer of money separately from the inventory. The transfer of money out and in gets reported as a regular transfer of money for both branches.

Most inventory items will have already been expensed because it was under the \$250 limit. The source branch won't report anything under *Net Inventory Sales Income* or *Other Sales Income*. The receiving branch will not record any inventory added, and will report the income from the sale of this type of donation to the general populace on the **Regalia & Other Sales Detail** form under *Other Sales Income*.

For inventory above the limit, the Source branch will treat it as a sale for zero income, and the receiving branch will not report it on their **Inventory Detail** form. They will report the income from the sale of this type of donation to the general populace on the **Regalia & Other Sales Detail** form under *Other Sales Income*. This takes care of the expense so the inventory is essentially changed from Major Inventory to Minor Inventory. While this seems like the actual value of the SCA equipment will not be correct, the amount affected by this will be negligible at the Corporate level. Actually transferring the value between branches would be much harder to explain and keep correct at the branch level.

F. Tracking Sales

It is a good idea to keep track of your inventory using a worksheet similar to the one in the financial packet, regardless of the value or cost. It will help you keep track of how much you have on hand, and how much money you are making on individual items.

Keep track of each sale; using a receipt book is a good way. Include the amount of money taken in, and the quantity and type of items sold. At report time, use the **Inventory Detail** form for major inventory, which helps you calculate *Net Inventory Sales Income* by item, so you can see where you are making or losing money. Directions for this form are in Chapter 7.

G. Reporting

On the Financial Report Packet, we report several things about inventory: how much we had when we started; how much we had when we ended; and how much money we took in return for the inventory. Because there is the \$250 reporting limit, only major inventory items will get itemized on the report. You should still keep track of minor inventory in a similar fashion; but the current state of minor inventory doesn't go on the financial report packet sent to your superior officer.

When reporting new inventory, include the cost or value of all the items you purchased or made, and the quantity of those items you intend to sell (not necessarily all that you purchased or made). This will make the *Per Unit Cost* on the **Inventory Detail** form the same as the Adjusted Item Cost described above. If you later give away items that you had originally intended to sell, or they become lost or damaged, they become *Quantity Removed or Discarded*. You can also sell damaged inventory at a reduced price.

H. Sales Tax Collection

A number of U.S. states have started requiring sales tax collection for certain activities. Each state has differing rules on just what is taxable, at what rate, and how and when to remit those sales taxes collected to the state government.

We must comply with all international requirements for selling items and collecting sales tax within any jurisdiction. All sales tax collected is not to be reported as income – instead, it is immediately a payable to the state government, and gets reported as a payable until the check is written. The check containing the collected sales tax is not an expense. Basically, the money comes to us as already owed to the government so we don't claim it as either income or expense.

Merchants selling items that qualify for sales tax collection are not our responsibility – although some states may require reporting of who was at the event as a merchant for their own tracking purposes.

II. REGALIA

Regalia are works of art or jewelry that are used for display or ceremonial use. These items are used over and over, without a steady decrease in value. Common examples are: crowns, scepters, swords, heraldic feast gear, etc. Regalia may include soft goods such as banners, pillows, baldrics, etc. **ONLY IF** they qualify as works of art, such as hand embroidered kneeling pillows or metal thread embroidery banners. Regalia should be limited to jewelry type items and valuable pieces of art.

Regalia should not include items that will see regular use on the field of battle, since that shortens its lifespan considerably – those items should be treated as Equipment if they are valued at \$500 or more. Thrones should not be treated as Regalia but as Equipment, since time has shown us that they generally don't last forever, but get a great deal of wear and tear. Regalia shouldn't be subject to "extreme wear over a short period of time". If it is, then it should be treated as general supplies if it's under the limit, or as Equipment if it's over the limit.

Regalia items are not depreciated because its useful life is not necessarily a function of time. Most regalia does not usually suffer the same wear and tear which affects other items of equipment, although some items are put through extreme wear over a short period of time. Crowns can last 20 years, but a tabard can last one battle. Some regalia may even increase in value as time passes, although we don't consider that in our financial reports. In order to simplify reports, we have a lower limit of value for items before they are itemized on the reports. The limit is \$500. Items

reported under that limit remain reported until the item leaves the SCA's possession. New regalia must be worth more than \$500 in order to be reported as Regalia. Calculation of worth is described below.

In 1999, the definition of Regalia was narrowed to be more as works of art rather than ceremonial pieces. Objects that were reported as Regalia before that time that do not qualify under the new definition are to continue to be reported as Regalia until the object leaves the branch's possession. Thrones are one example of objects that were reported as Regalia before 1999, but are now classed as Equipment and depreciated.

There are several duties that are necessary to the proper maintenance of regalia: recording information, calculating value, transportation, maintenance, repair, and reporting.

A. Recording Information

When a new regalia item is presented into service, several important pieces of information should be recorded and kept by the Chamberlain or other similar officer: Maker, Contents, and Special Care Needs. While it is probably too late for this to be done for every piece currently in the Kingdom's inventory, a Royal Chamberlain could be able to talk to some of the talented artisans in the Kingdom and ask them to help fill out information on at least the last two questions.

1. Maker

Who made the piece? If something goes wrong, we want to get direct help from the craftsperson who made the object.

2. Contents

What is the piece made of? This is especially important if the object is ever to be repaired.

3. Special Care Needs

What special care needs does the piece have? This is important: the people who use it will most likely not have the same expertise as the creator and as such may be lacking in knowledge regarding its maintenance that would seem obvious to the creator.

B. Calculating Value

The value of regalia depends on how the item was obtained: purchase, reimbursement, or donation. We only report new regalia with individual purchase value of \$500 or more. This means a gold goblet worth \$505 is reported. A pair of coronets worth \$550 is also reported; although each coronet is worth \$275, the total purchase price is over the limit.

1. Purchase

If the item was purchased from a merchant as a complete item, the value is the price paid. This isn't really an expense; it's just a conversion of assets. The price gets deducted from Cash, and added to Regalia. If the price is less than the above limits, the cost is placed on the **Income Statement** under *General Supplies, Activity related*.

2. Reimbursement

If the maker of the item was reimbursed for the price of materials only, the Fair Market Value (FMV) of the finished object is either

- a. The total cost of the supplies used to make the object;*
- b. The selling price of the finished item as it would be sold by the maker as part of his business; or*
- c. The value established by an independent appraiser not in the SCA.*

If the FMV is more than \$500, it gets added to *Regalia & Non-Depreciated Equipment*, listed on the **Regalia and Released Assets Worksheet**. If the supplies are a donation, FMV value is treated as a *Direct Contribution - Donation-In-Kind* on the **Income Worksheet** (Increase Regalia, Increase Income). If the supplies are reimbursed, the amount of the reimbursement is **NOT** reported separately from the Regalia addition because it's a conversion of Assets, Cash to Regalia (Increase Regalia, Decrease Cash).

If the FMV is less than \$500, the reimbursed expenses are reported under *Activity Related General Supplies*. There is no income to report, or change to the Regalia value.

Be sure to not overly inflate the worth of the improved item; base the FMV on what someone not necessarily affiliated with the SCA would pay.

3. Donation

For a donated item, the FMV is determined either by the donor, or by the value established by an independent appraiser not in the SCA. The FMV is added to Regalia if it's over the \$500 reporting limit, and treated as a *Donation-In-Kind* (Increase Regalia, Increase Income).

Because we can only transfer assets to other 501(c)(3) organizations, once an item has been donated, it shouldn't be returned, as the donor most likely isn't a 501(c)(3) organization. Don't forget to give a receipt for any donations received. If the donation must be returned, make sure to retrieve any donation acknowledgement documentation so that the donor can't still claim the donation on their taxes.

C. Improving Value

If the item was purchased and improved upon (for example, a plain chair was purchased, but someone carved and painted the arms of the Barony on the back and added cushions), the initial purchase is treated as above. The difference between the new value and the purchase price is either a) the cost of supplies used to perform the improvement, or b) the difference between the old value and a new appraised value provided by a non-SCA appraiser. This amount is added to Regalia as a Value Adjustment, and reported as a donation-in-kind. Any reimbursements are reported as *Activity Related General Supplies*.

If the item that improved in worth was worth less than \$500 (and thus not reported), and the new FMV is \$500 or more, treat the item as a new acquisition with the improved value. The item's current value is added to *Regalia & Non-Depreciated Equipment* on the **Comparative Balance Statement** AND reported as *Direct Contribution - Donation-in-Kind* on the **Income Statement**. Any reimbursements are reported as *Activity Related General Supplies* on the **Income Statement**.

D. Insurance

The SCA's current insurance policy does not cover regalia, or any other real equipment, for damage or theft. Individual branches may purchase insurance for any item it deems necessary if they can find coverage. That isn't easy, particularly if you want to name the SCA as the insured. Contact the Treasurer and the President of the SCA for more information.

For truly valuable regalia items, such as Kingdom crowns, another alternative to finding individual insurance is to "lease" the regalia to the Crown for a nominal fee (say, \$1 per reign). They can then add insurance coverage for the leased equipment to their own homeowner's or renter's insurance. If they don't carry this kind of insurance, it is acceptable for the Kingdom/branch to pay for a "personal articles" policy under their name for the term of the reign but usually these must be included in other types of insurance policies. Documentation commonly required by insurance providers includes a professional appraisal, photograph, and any receipts for cost or materials. A sample lease form is included in the Society Seneschal's Handbook.

E. Reporting

Regalia items are reported by Fair Market Value, which is either the price paid if purchased, or, if the item was donated or improved, what an independent sane third party would pay to purchase the item from you. This third party need not be associated with the SCA. We don't want to inflate the value of an item because it has 'Great Historical Value'; if someone at a flea market would only pay \$10 for a kneeling pillow or crown, it's worth \$10.

Each item worth more than \$500 gets listed on the **Regalia & Other Sales Detail** form under *Regalia & Non-Depreciated Equipment*. Directions on how to fill out this form appear in Chapter 7.

Expenses for maintaining the quality of Regalia are listed under *Activity Related Equipment & Maintenance*.

F. Release of Equipment

If an item being reported under *Regalia & Non-Depreciated Equipment* leaves the SCA's possession, it is moved to *Asset Release and Other Sales Income* on the **Regalia and Released Assets Worksheet**, and removed from *Regalia & Non-Depreciated Equipment*. See IX.D below.

III. DONATED EQUIPMENT

If the item was donated, there is no expense to be spread out over time, therefore no need for depreciation. If the item's Fair Market Value (FMV), or what a normal person (not necessarily associated with the Society) would pay for it, is more than \$500, we can treat the item as Regalia for reporting purposes (described above), but we don't have to. If an item being reported under *Regalia & Non-Depreciated Equipment* leaves the SCA's possession, it is moved to *Other Sales Income* on the **Regalia and Released Assets Worksheet**, and removed from *Regalia & Non-Depreciated Equipment*. See IX.D below.

Donated equipment worth less than \$500 is generally not reported except on general equipment lists. Don't forget to give a receipt for any donations received.

IV. PURCHASED EQUIPMENT

Equipment are items that cost more than \$500, serve some purpose, and are not consumed by normal use. If it isn't inventory or regalia, and it was purchased for more than \$500, it gets reported here. Examples of equipment are: Beverly shears (a large mounted sheet-metal cutter), pavilions, trailers, computers and peripherals, copy machines, electrical equipment, etc.

V. DEPRECIATION

Equipment may suffer wear and tear from normal use (copy machines get dirty, serving equipment gets scratched, etc.). This wear and tear makes the item worth less the more it is used, much the same way a used car is not worth as much as a new car. Depreciation is how you figure out what an item is worth after a period of use. The value of these items decrease the longer they are held by the branch, and at any point, the difference between the original cost and the accumulated depreciation is an estimate of the item's current worth.

Example: Your group purchased a \$500 tape player unit. After two years, the tape player is not worth as much as you paid for it. The accumulated depreciation reflects total depreciation expense taken over all the years you own the tape player.

The SCA follows methods of calculating depreciation established by the U.S. IRS. We use MACRS (Modified Accelerated Cost Recovery System) to calculate depreciation expenses. The percentages are on the **Depreciation Detail** form. Depreciation is calculated at the end of the year during the fourth quarter on the Domesday report.

MACRS - Depreciation Rates

	Trailers & Electrical Equipment	All Other Equipment
Year	5 Year Life	7 Year Life
Year Purchased	20.00%	14.29%
Year 2	32.00%	24.49%
Year 3	19.20%	17.49%
Year 4	11.52%	12.49%
Year 5	11.52%	8.93%
Year 6	5.76%	8.92%
Year 7		8.93%
Year 8		4.46%
TOTAL	100%	100%

A. Reporting

Items that were purchased by the branch for a price of more than \$500 will be depreciated, using the method described above. Items purchased before January 1, 1996 and currently being listed will continue to be listed normally until the item leaves the SCA's possession.

Report each item on the **Depreciation Detail** form under *Purchased Equipment* for the correct depreciation schedule. Directions on how to fill out this form appear in Chapter 7.

When an item has been fully depreciated, continue to report it. The amounts in the *Equipment* line will be equal to the amount in the *Accumulated Depreciation* line, so they will cancel each other out in your totals. When you no longer own the item (it has been destroyed or sold), remove the item from your equipment sheet. If the item was fully depreciated, you are done depreciating. If not, list the item under *Other Sales Income* on the **Regalia & Other Sales Detail** form to expense any remaining amount. You may sell damaged assets to help recover the loss.

B. Removal

Do not remove a fully depreciated asset from the **Depreciation Detail** form until it is actually gone from your possession. See IX.D below. If a depreciable asset is sold, destroyed, lost or falls apart, calculate the remainder of the asset cost and accumulated depreciation under *Other Sales Income* on the **Regalia & Other Sales Detail** form.

Example 1: Your group has a \$500 computer with accumulated depreciation of \$300. The computer is dropped and destroyed beyond repair. The remainder of value (\$200) is calculated under *Other Sales Income* on the **Regalia & Other Sales Detail** form. The \$200 then gets expensed under *Released Assets*.

Example 2a: Your group has a pavilion, but buys a new one after 4 years (\$600 new) and sells the old one to one of the branch members. The current value of the old pavilion is listed to *Other Sales Income* on the **Regalia & Other Sales Detail** form as in Example 1. The Income from Sale is the price paid by the branch member.

Example 2b: Your group has a pavilion (\$600), buys a new one, and sells the old one to another branch for \$150. The remainder of value of the old pavilion is not moved to *Other Sales Income* on the **Regalia & Other Sales Detail** form as in Example 1 because the item is still owned by the SCA.

In this case, the transfer to pay for the pavilion is treated as a regular transfer, and the transfer to move the value of the pavilion to the other branch is the difference between the initial value and the accumulated depreciation and is reported as a regular transfer of cash. The branch buying the old pavilion keeps depreciating it as if they had originally bought it. So, the pavilion originally cost \$600, had an accumulated depreciation of \$412.56 (4 years' worth), and the current worth of the pavilion is \$187.44. The transactions are for the selling branch: Transfer In of \$150 (payment) and Transfer Out of \$187.44. The receiving branch records the transfer in of \$187.44, and the transfer out of \$150. They then (instead of increasing their Cash balance) add the item to their list of Purchased Equipment. The Initial Cost is \$600, the year purchased is the year the original branch purchased it, and the Accumulated Depreciation is \$412.56. When it comes time to do the next year's depreciation, they use the figure for the fifth year (since the SCA has owned that item for five years now).

VI. GENERAL SUPPLIES

General supplies are consumable items, or durable items where the price of the item is considered negligible (price ≤ \$500), because the depreciation is not worth calculating. Instead, the price of the item is listed on the expense sheet for that year. Office equipment less than \$500 is expensed under *Office & Administration*. Equipment or supplies used in a

fund raising activity are reported under *Fund Raising*. Other equipment costing less than \$500 for events or general use is reported under *Activity Related* expenses.

Some items are donated and are not worth \$500 each, such as loaner garb. These items are not reported in any way other than on an equipment list, although having a stock of loaner garb and loaner armor is encouraged to help familiarize new members with our organization.

VII. REAL ESTATE AND PERMANENT STRUCTURES

Real estate is special because it comes with several extra maintenance requirements. Deciding to purchase real estate should not be discussed lightly, and must involve the SCA Board of Directors (CP XIV) because of both the large quantity of money involved and the additional liability. If the SCA owned real estate, we would also own the liability for its use (requiring more insurance), the responsibility to pay property taxes (more repeatable expense), and the requirement to maintain the property to local code (upkeep expenses which may become costly if the zoning changes).

Funds may be raised for such a purpose, even though the ultimate destination for those funds would be another organization formed to handle the actual real estate management.

Improving existing real estate or adding a permanent structure to real estate owned by some other entity (corporation or person) must also involve the Board of Directors. We would still own the liability for someone being injured on a structure we own, regardless of whether the structure is on land owned by some other entity. We would still own the responsibility to keep the structure in compliance with local building code.

VIII. VEHICLES

Vehicles are special because they come with extra maintenance requirements. Accepting donations of vehicles is prohibited (SFP X.C). Branches should not purchase vehicles without approval of the Treasurer and President or Society Exchequer due to the liability and maintenance costs involved.

The SCA may own trailers, and is in fact does. All trailer information must be reported to the Secretary of the Society annually because they are covered by the SCA's insurance. To report this information to the trailer, fax a letter with your branch's information and the trailer registration information to the Corporate Office.

Trailers are to be kept in good maintained condition at all times, and the licenses should be kept current. Trailers should never be loaded over their maximum weight capacity. (SFP XIII.A) Doing so not only violates the law, subjecting the tower to fines if stopped by the police, but also voids our liability coverage should an accident occur.

The SCA is not responsible for repairs or maintenance to member vehicles, even when towing SCA-owned trailers. All travel is at the owner's risk, including towing of trailers.

All agreements between a branch and individuals regarding use of the trailer are to be managed by the Seneschal.

IX. MANAGEMENT PROCEDURES

A. Acquisition

The Financial Committee shall approve purchases of all assets. Things to consider are the cost of any supplies needed to maintain the regalia or use the equipment. Don't forget to ask if there are discounts offered to nonprofit organizations.

It is perfectly acceptable to solicit donations of non-cash assets. One way is to publish a wish list. If the items donated will be used as inventory, the cost of goods is zero. If the donated items are equipment, they do not need to be depreciated (no cost to spread over time).

B. Equipment Lists

The Exchequer or their designated representative will maintain a list showing the description and location of all non-cash assets regardless of type. This list will show description, quantity, where it came from, and current location. Items like single 25¢ butter dishes may be grouped under miscellaneous, but ten of them should be separately listed as a group. Where possible, include a photographic record with two copies of the photos made, one for the Exchequer and one for either the special deputy in charge of equipment or the Seneschal or Guild principal.

C. Maintenance

The Financial Committee approves maintenance expenses. If you find an item needs some work, see if someone qualified will do the work for the cost of materials. If not, seek the services of a professional. Ask if they offer a discount to non-profit organizations.

D. Release

The Financial Committee shall approve any release of assets. If an item is no longer worth keeping or fixing (computer broken, crown is irreparably cracked), you must remove the cost of that item from your list of assets when you throw it out or sell it.

1. Transferred out

If the item was sold to another SCA branch, the transfer is treated separately as a regular transfer, and the *Other Sales Income* is zero. Treat the item as discarded on the report (see 3 below).

2. Sold Regalia or Depreciating Equipment

If the item was sold to an individual, the loss is the difference between the item's current value and the selling price. This result gets entered on the **Income Statement**, under *Other Sales Income*. If the sold item was bears specific heraldry, check with your Kingdom Herald for the proper protocol.

3. Discarded Regalia or Depreciating Equipment

If the item has been fully depreciated (there is no more expense left), then you lose nothing but an entry on your **Depreciation Detail** form.

If the item was not fully depreciated (accumulated depreciation does not equal original value), then remove the item from the depreciable property list and enter it under *Asset Release and Other Sales Income* on the **Regalia and Released Assets Worksheet**.

If the item was Regalia, enter a negative adjustment value for the Regalia on the **Regalia and Released Assets Worksheet**, and then enter the item again under *Asset Release and Other Sales Income* to show the loss.

CHAPTER 6: INTERACTION WITH OTHERS

It is important to know where one's boundaries lie when dealing with others. Here is a list of guidelines for dealing with other levels of the Society. These are only guidelines; if you have any questions, contact your superior officer first. A good summary is:

If the people you deal with (anyone in this chapter):

- Are constantly criticized, they will learn to blame others.
- Must deal with hostility and friction each day, they will become belligerent themselves.
- Are rarely commended, they will seek only routine duties.
- Are frequently made to feel guilty, they will avoid difficult problems.
- Are allowed some mistakes, they will test their creativity.
- Are encouraged, their confidence will grow.
- Are praised for their good work, they will improve their performance.
- Improve their performance, their self-esteem goes up.
- Receive fair treatment, their own decisions are more just.
- See Royalty, Peers, and officers who don't avoid accountability, they will be more responsible themselves.

Corpora Appendix A is a description of general procedures for complaint and appeal. If you have any problems dealing with someone, read that section for suggestions on how to resolve the situation. And, as always, you can also contact your superior officer for guidance.

X. ROYALTY

The Royalty are special officers; they are not allowed to hold any other office or be a signatory on any bank account while holding that office. Royalty may not order that money be spent solely by their own decision. This is our system of checks and balances. If an Exchequer determines that Society, Kingdom or their branch Financial Policy disallows a proposed expense, that Exchequer is required to deny the expense. If the Royalty persists, direct them to your superior officer; don't allow yourself to be bullied.

A. Donations to Royal and Kingdom Funds

Every Kingdom has a Royal Travel Fund of some sort. Some Kingdoms have other additional funds (Office, Postage, etc.) for royalty reimbursement. Some Kingdoms also have funds for the Great Officers of State to help offset the expenses involved in holding those offices. Occasionally, a Kingdom may open special funds for projects. The Kingdom Exchequer maintains all of these funds.

Branches that desire to donate to a Kingdom fund must have approval from the branch Financial Committee before taking any action. The Exchequer will notify the Crown and Kingdom Exchequer of the transfer into the appropriate fund and will send the check and a completed transfer form to the Kingdom Exchequer. This may also be done in court as a matter of ceremony.

Cash should never be presented to Royalty at court. It's too hard to keep track of during and after court, and some money has gone wayward by this means. If a showy presentation of money at court is desired, the group should buy chocolate coins for the "currency" and present a check made to the Kingdom at the same time. Likewise, a couple of rolls of nickels make nice clinking sounds in a bag but cost less than \$5.

B. Direct Reimbursement of Receipts

The Crown may be directly reimbursed for receipts as allowed in Kingdom Financial Policy only after approval of the branch Financial Committee and notification of the Kingdom Exchequer. Royalty may NEVER be given SCA money without first obtaining proper receipts and following all appropriate procedures. All reimbursements should be made by check, to ensure that a paper trail exists.

Royalty may accept private donations, from one person to another, without involving the Chancellor of the Exchequer, or the branch's bank accounts. However, that person's private donation would not be tax-deductible if they pay U.S. income taxes.

XI. SUPERIOR OFFICERS - CHAIN OF COMMAND

Each branch Exchequer reports up to the Kingdom Exchequer, who reports to the Society Exchequer. Canton Exchequers normally report to the Baronial Exchequer as well. Some Kingdoms have regional deputies for receiving reports, who then report to the Kingdom Exchequer. When you receive this office, you will be told to whom you should send your reports.

A. Reports

Each Chancellor of the Exchequer must file required reports with their superior Exchequer. Any questions regarding transactions should be directed to the superior officer before any action is taken.

B. Signature Cards

These go to the Kingdom Exchequer who will send them back to the branch or the bank. The signature cards should be completely filled out (Account Title and Tax ID) and state that the account requires two signatures to make a withdrawal. Otherwise, there should be a note included for the Kingdom Exchequer that the unopened bank statements get sent to someone other than the Exchequer at a different address than the Exchequer. The minimum required signers include the Seneschal, the Exchequer, and the Kingdom Exchequer or their designated representative.

Make sure that an envelope addressed to the bank or to the branch Exchequer is included in the packet to the Kingdom Exchequer so that the forms can be sent back to the bank.

C. Corporate Resolutions

See Chapter 4 Section I.F for a description of Corporate Resolutions. If the resolution is the bank's form, it goes to the Kingdom Exchequer who will send them on to the Corporate Office. The branch Exchequers do not send these directly to the Corporate Secretary. Only fill out the names or signatures of the signatories; the Secretary of the SCA and the Vice President for Corporate Operations fill in the information about approval during a meeting and place the Seal of the Society on the form. The form then gets sent back to the bank.

It is very important to include a SASE to the bank so that the form gets sent back to the proper place.

XII. OTHER SOCIETY BRANCHES

A. Transfers of Assets

Money and other assets may be moved between branches at any time, provided that the financial committee of the originator has approved the transfer. Popular examples are: branch to Kingdom Newsletter for event announcement or towards special issue; branch to Royal Travel Fund; branch to branch loans; etc. If you are sending a loan to another SCA branch, mark it as such on a Transfer to Another SCA Account Form so that the other branch has a written record that you are expecting the money back. Loans to or from SCA branches are not listed as Receivables or Payables as they are just internal cash movements. **No loans are allowed to or from individuals at any time.**

Any movement of money, assets or inventory to another account within the Society is considered a transfer, even if it was fronted by a person who then got reimbursed.

B. Sponsorship

Incipient branches must have the sponsorship of a full status branch. When your branch agrees to sponsor another branch, your branch's Seneschal makes a deal with the other branch's Seneschal to perform certain duties in return for certain optional considerations. The only thing the Exchequer gets involved in is the money. Incipient branches may not hold money in their own bank account; the sponsoring branch's Exchequer must manage any money they claim.

Work with the other branch's Exchequer, no matter which end of the sponsorship your branch winds up on. If you are on the sponsoring side of the deal, make sure that all required reports get filed properly.

XIII. BRANCH OFFICERS

Branch officers in general are your co-workers in the administration of the branch or guild. Collectively, you are a team. Work with them to find the most sensible solution to any problem (not just yours, either). Just because they don't have to handle the money right now doesn't mean that they haven't before, or won't later. Also, looking at a problem from the distance of not having to manage the money may provide some insight that someone deep within the problem may have trouble finding. For example, several people who have never been Exchequers commented on initial drafts of this handbook. They provided an outside view of the procedures of this office, in addition to helping make sure that non-Exchequers could understand this handbook -- if they didn't understand it, it got reworded. Never underestimate the help you can get from your fellow officers, especially if you work together to solve a common problem.

A. Seneschal

The Seneschal is the legal representative of a branch. Each Exchequer must report at least quarterly to the branch Seneschal. It is the Exchequer's responsibility to advise the Seneschal and the Financial Committee as to the validity and appropriateness of any expenditure. If an expense is questionable, the Exchequer will contact his or her immediate superior for clarification on how to proceed before any action is taken.

Seneschals sign all contracts for the branch.

B. Chronicler

The Chronicler will not maintain a separate account unless granted a written variance by the Kingdom Exchequer (with the exception of the Kingdom Chronicler). (Chroniclers Policies)

The Chronicler and the Exchequer will reconcile newsletter sales and subscription monies on a quarterly basis to be included in the Exchequer's regular report. The Chronicler will turn over any newsletter income to the Exchequer promptly for deposit in the branch account.

The Chronicler will submit a quarterly Subscriptions Due report to the Exchequer only if there are subscriptions sold in advance of publication. The Exchequer's year-end report will be included in the newsletter.

C. Herald

The Herald and the Exchequer will reconcile submissions monies on a quarterly basis to be included in the Exchequer's regular report. The Herald will turn over any submission income to the Exchequer promptly for deposit in the branch account unless the submissions are made out directly to the Kingdom.

D. Other Branch Officers

The Financial Committee must approve all expenditures in advance, by pre-approved budget or a written request for funds. Receipts must be provided for all expenditures.

E. Landed Baronage

The Landed Baronage (Baron and Baroness of a Barony) may not be involved in the day-to-day finances of the barony, or they may be very involved. They may be signatories on baronial accounts and on the Financial Committee. They are not permitted to decide to spend money on their own; they still have to go through the Baronial Financial Committee. Landed Barons and Baronesses are not allowed to be Exchequer of their own Barony, although they could be Exchequer for other higher entities such as Kingdom guilds or the Kingdom itself.

XIV. DEPUTIES

For deputies, use the golden rule. Don't ask them to do anything you wouldn't do yourself. Don't ask them to do more than you would do yourself if you were the deputy. Teach them everything you know about the office. If they learn something you don't know, ask them to teach you.

XV. AUTOCRATS AND EVENT STAFF

Because autocrats and event staff use money in the process of organizing an event, they will be contacting the Exchequer for advances of funds, reimbursements, and checks for vendors directly. Each branch is different based on the personalities involved, and so each event will be run differently, based on the people involved. Here are some guidelines when dealing with event staff. Your branch may be more or less formal about processes involved with hosting an event, although care should be taken when planning an event -- events are usually the most money-intensive thing we do. See Chapter 8 for more detailed directions regarding event financing.

A. Budget

The autocrat shall submit an itemized budget to the Financial Committee, including projected income and expenses for the event. Each Kingdom has its own forms for creating event budgets; contact your Kingdom Exchequer for more information. The Exchequer will keep the approved budget to work from when making reimbursements.

B. Advances of Funds

The Financial Committee may approve advances of funds to cover expenses if the account can support it. Any advance is treated as a receivable until reconciled. Receipts must be provided for all of the expenditures, and advances must be reconciled within 60 days. Kingdoms may have their own funds advance and reconciliation forms, or require less time for reconciliation.

C. Collection of Income

It is the responsibility of the Exchequer (or their designated representative) to collect all income from the Event and to reconcile to the attendance records. It is also their responsibility to ensure that required cash control measures are in place to catch errors promptly and discourage theft.

All of the event proceeds must be deposited in the appropriate account within two weeks (14 days) of the end of the event, preferably sooner. (SFP XII.A).

D. Reports

An event report will be completed by either the Autocrat or the Exchequer and distributed as determined by Kingdom Financial Policy. Kingdoms may have their own forms for reporting event finances.

E. Corporate Surcharges

After the event, the Autocrat and Exchequer must calculate any Corporate Surcharges relating to events that are currently required. Send the check for the amount as required by current procedure, along with a form showing how it was calculated. Your superior officer will know the current procedures in effect. Kingdoms may have their own forms for reporting Non-Member Surcharges and event attendance.

XVI. GUILDS

Where guilds are permitted to maintain funds by Kingdom Policy, they must have an Exchequer and must comply with Society and Kingdom Financial Policies. The Guild Principal may be considered to be the equivalent of the Seneschal of the Guild, but they should have an Executive Warrant. There needs to be a legal representative on all financial committees.

XVII. BRANCHES IN OTHER COUNTRIES

Transfers to these branches are reported under Donations to Other 501(c)(3) Organizations. Transfers from these branches are reported under Direct Contributions.

XVIII. HOUSEHOLDS

Other organizations known in the Society but not officially recognized are Households. Households are not an official part of the SCA and SCA funds may not be combined with their funds in a non-SCA account. Households are simply groups of people with similar interests, sometimes but not always organized around either specific persons or a specific cause (fighting, archery, dancing, etc.). If you have any questions about whether some group qualifies as a household or about transactions dealing with households, call your superior officer for guidance before doing anything.

A. Household Activities At Events

The SCA is not responsible for any household activities. We cannot and will not financially support or absorb liability for any household activities. The SCA's insurance does not cover household activities.

Financial support for this purpose is defined as providing funding where all proceeds are not returned to the provider. Example of disallowed financial support: The Shire of Backwater pays all advance money for a branch event where a household is responsible for all the ideas and labor involved, and keeps all the profit after the expenses, including the front money from the Shire, have been paid. This situation is not allowed because we are not a lending institution. However, if the Shire ran the event and the household did the feast (through a catering contract), the household would be paid for their services (making a profit after they take care of their own expenses and kitchen rental) and the shire would keep the rest. This second situation is allowable.

Absorbing liability is also disallowed. For example, we cannot absorb liability for a household function at an SCA event where the household is solely responsible for the use of the damaged facility or equipment. This means we cannot rent facilities that will be only used by the household.

Allowing household activities to take place at branch events is not considered support, provided the branch does not pay for items used only by the household, and the branch won't be held liable for any damage caused by the household, especially food preparation situations. It is up to the branch to determine the risk involved in allowing household activities at their events. Separate agreements between the household and the site owner for facilities used are recommended, as are catering contracts which stipulate rates charged and responsibility for collecting fees, any expenses, and liability.

Below are a few examples illustrating why we have this policy.

Example Situation 1: The branch allows the local household to hold an auction at an event, whose proceeds go to benefit some charity, the Royal Travel Fund, or themselves. The auction is advertised properly, the only things used at the event are some tables (which are then used for feast), and some hall time. This scenario is allowable.

Potential problem: The auctioneer stands on a table and it breaks. Who's responsible? The person who broke the table. Who will be blamed? The branch that rented the hall and tables. How to solve it? Have the household supply its own tables.

Example Situation 2: The branch allows a household to sell lunch at an event. The household uses the same kitchen as the feast crew and handles their own money. The kitchen fee is a flat fee, so the household plans to pay part of that fee from the profits. This is allowable.

Potential problem 1: Several serving dishes turn up missing from the kitchen, dishes used only by the lunch crew. Who's responsible? Good question. Who will be blamed? The branch. How to prevent this problem? Have the site owner rent the kitchen for the lunch period to the household (under a separate contract with inspection afterwards), or have the household bring its own dishes.

Potential problem 2: Lunch included chicken; the feast doesn't. After feast, several people come down with Salmonella poisoning. Who's responsible - the household for not cleaning up after themselves better, or the branch for not cleaning up before they started? This would be even harder to determine if the feast also served chicken. Who will be blamed? The branch. How to prevent this problem? Other than disallowing household access to kitchens at events, have the site owner rent the kitchen to the household separately, or enter into a catering contract with the household, specifying that the kitchen must be cleaned and inspected after use before the liability is released.

Potential problem 3: A local law states that all food preparation sites must have someone present at all times with a food preparation license. The household uses the kitchen, but no one in the household has that license, and the branch's person who does hold that license is fighting during lunch preparation. The site owner finds out right after lunch, is very upset that the contract with the SCA has been breached, and wants everyone out now. Who's responsible - the household for not complying with regulations, or the branch for not making sure the household knew and complied

with regulations? Who is blamed? The branch. How to prevent this problem? Have the household rent the kitchen separately from the site owner, eliminating the branch's involvement.

B. Receiving Donations from Households

Households may donate funds to the SCA, but the SCA may not donate funds to a household or its members. Branches may sponsor Society events where a household provides all the labor; however, the household may not receive any money from the event out of the Society account except as reimbursements for receipts. If a household hosts an event on its own, the money it collects may be donated to the Society, but it is not required. Households do not get the advantage of the Tax ID and any income must be acknowledged as someone's personal income. Any other donation is treated as if it were from anyone in the modern world. See section IX below.

C. Managing Household Money in an SCA Account

It is not permissible for any funds in an SCA. Inc account to held in the name of a household.

XIX. THE POPULACE

Exchequers should strive to keep their populace informed about the financial status of the branch in order to reduce the occurrences of these kinds of inquiries. Providing the populace with current account balances, budget and actual figures for events, the normal operating budget, and amount of reserves will reduce the number of requests for review.

Any person has the right to request to see the books and records of any Society account, provided they: a) give a reasonable justification for their request; b) specify which financial documents they wish to verify; and c) submit their request in writing to the Exchequer.

Reviews shall be scheduled at either a) the convenience of the Exchequer, or b) at the next regular business meeting with proper advance notice, whichever comes first. Requests for a review that arrive the day before a business meeting is not proper advance notice for that meeting, but acceptable for the next one.

The purpose of this procedure is to provide members with a mechanism by which they can settle any questions of possible misuse of their branch's monies. It will not be allowed to function as a "fishing expedition" nor as a means by which a disgruntled member can harass an Exchequer.

If the Exchequer determines that a reasonable justification does not exist and denies the review request, the request and written notification of refusal including reasons shall be forwarded to the Exchequer's superior officer, who has the authority to let stand or rescind the refusal.

If the request for review is made of the Kingdom Exchequer and a refusal is given, the written notification of refusal including reasons shall be forwarded to the Crown, Kingdom Seneschal, and the Society Exchequer for review.

XX. THE MODERN WORLD

The relationship between the Exchequer and the modern world strongly depends on the Seneschal and the Exchequer. When dealing with the modern world, such as banks and vendors, the Exchequer represents the Society. If the Exchequer appears and acts as a normal responsible person, the Society will be a thought of as a responsible organization. If not, the Society will be thought of with disdain. This is something we want to avoid.

The thing to remember is the bank personnel and the vendors are business people and have business-like attitudes. By presenting yourself in the same business-like manner, you will go a long way towards creating a relaxed atmosphere. You don't need to be shy about talking about what we do or hide our activities from them, but telling them what we do in a neutral atmosphere will increase their comfort. If the person seems interested, they can seek us out, but we don't need to force them. Always use your modern name when communicating with bank personnel or vendors.

A. Demonstrations for the General Public

The Society will do demonstrations of our activities for a variety of audiences, from grade-school children to Boy Scout meetings to madrigal dinners for other non-profit organizations. We may receive donations and publicity from these activities.

It is important to remember that a donation to the SCA must stay within the SCA. We cannot share the money received from these donations with the demonstration participants, other than to reimburse legitimate receipts. If an organization wishes to individually compensate demonstration participants, the organization must individually compensate the participants; the SCA cannot. It is allowable for the organization to give the SCA money and direct that it be used towards a gathering of the local SCA members as a reward (i.e., 'Go have a pizza party on us. Here's some money.'). The gathering must be open to all local members, and all other financial rules must apply (such as the money can't be used to buy the beer at the pizza party).

B. Donating to Other Organizations

It is permissible to make donations to other organizations with the 501(c)(3) designation. However, make sure that the proposed recipient organization is classed correctly. Simply being classed 501(c) is not sufficient. You'll need their Tax ID Number for the forms as well. If they cannot or will not provide this information, they cannot receive the donation.

Once the Financial Committee approves the donation, and you have the Tax ID Number, make the check out and give it to the contact at the other organization.

C. Accepting Donations

It is permissible to accept donations of money and non-monetary goods with a few exceptions. It is also permissible to turn down donations. Here are the exceptions:

1. We may not accept donations of vehicles (SFP X.C).

Potential donors must be directed to sell the vehicles themselves and donate the resulting money. Trailers are not considered vehicles for this policy.

2. We may not accept donations of alcohol (CP VIII).

3. We may not accept donations of money with specific purposes that we do not want. (SFP VII.C)

We do not have to accept money just because someone is willing to donate it. If there are strings attached to the donation, examine them closely. There should be a primary and a secondary purpose for the donation. For example, suppose someone donates \$1,000 towards the purchase of Known World Dance Manuals but it turns out that only \$500 was actually needed, you would need to know what could be done with the remaining money so it is not sitting in a bank account for eternity. If the money is donated for a specific purpose, and that specific purpose is contrary to our tax-exempt purpose, undesirable or unworkable by the branch, just say 'No, thank you.' If the money is donated with the expectation of some future consideration that cannot be guaranteed, just say 'No, thank you.' Better to be poor and free from trouble, than less poor and wishing you hadn't accepted the money.

Other than that, we can accept anything usable. Obviously, we wouldn't want to accept something that wasn't usable just to give someone a tax write-off - we don't need extra work and potential future expenses to dispose of the item. We don't determine the value of the donation; the donor does.

For any donation we accept, we should send a nice thank-you note or send an official form acknowledging the donation for the donor's tax records.

CHAPTER 7: FINANCIAL REPORT FORM INSTRUCTIONS

The Society uses standardized forms for financial reporting. These forms are available in Microsoft Excel (locked and unlocked) and Adobe PDF formats from the SCA website, <http://www.sca.org>. Follow the links to the Society Exchequer page.

The forms may seem to be large, but they are really just a collection of a lot of small pieces. Use this chapter to help you fill out the form one piece at a time. The first time will be the hardest – after that, it gets much easier as you become more familiar with both the forms and the rules.

This chapter details how to fill out the Financial Report Packet forms. As always, report form names are in italics. The lines in bold italics are the actual report lines and specific directions for that line. The formats of these forms are mandatory.

Each form will be discussed in detail, with directions for completion and where they should be sent.

I. PURPOSE OF THE FINANCIAL REPORT PACKET

Financial reports are calculated to show financial activity over a period of time, such as a month, quarter, or year. This report packet tells us how much your branch is worth at the end of the time period (net worth); and how it has changed since the end of the last reporting period.

The term End Date means the last date in this reporting period.

The term Start Date means the first date in this reporting period, which is the same as the End date in the previous reporting period.

The two most important numbers in this packet are Change in Net Worth and Net Income. These numbers represent the same thing calculated two different ways:

A. *Change in Net Worth*

Change in Net Worth is the difference between the Net Worth at the end date, and the Net Worth at the start date.

(Ending Net Worth) - (Starting Net Worth) = (Change in Net Worth)

B. *Net Income*

Net Income is the difference between how much money was taken in (Total Gross Income) and how much money was spent during this period (Total Expenses).

(Total Gross Income) - (Total Expenses) = (Net Income)

C. *Proof*

The way we make sure the report is correct is to compare these two numbers. If you take (Starting Net Worth) and add the Net Income (Total Income minus Total Expenses), the result should be the (Ending Net Worth). So,

(Starting Net Worth) + (Net Income) = (Ending Net Worth)

Now, subtract (Starting Net Worth) from both sides, leaving:

(Net Income) = (Ending Net Worth) - (Starting Net Worth)

If you look above at the formula under A above, Change in Net Worth, you will see that the last formula is identical, except for the name of the result. Therefore,

(Net Income) = (Change in Net Worth)

That is why these two numbers must be equal -- they are the same thing, calculated two different ways. If they match, then the reports are correct. This is called balancing the report. If the two numbers do not match, then the report is said to be out of balance and the calculations must be checked for errors.

NO FINANCIAL REPORT IS COMPLETE UNTIL IT IS IN BALANCE.
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II. GENERAL DIRECTIONS

The format of the information on these forms is required. And any deviation from this format means your superior officer must make your report fit on the proper forms, possibly requiring them to call you for more information. **IF YOU ARE USING PAPER FORMS, MAKE SEVERAL COPIES OF THE FORMS BEFORE YOU WRITE ON THEM, or WRITE IN PENCIL.** You may make mistakes and need to use another copy, and you will need copies of the forms for each quarter.

Each item on the first two pages has a line number. There are spaces for signatures on the bottom of the first three pages. Sign and date each page when you have finished the report. Some Kingdoms require the Seneschal also sign the report, so space is included for that too.

The first two pages are summary pages. Pages 3a and 3b are for bank account information and reconciliation. Page 4 is information about you. Pages 5 - 12 are worksheets to help you fill out the summaries. Page 13 is for information about your branch's financial committee. Page 14 is a form where special funds are listed (only use this form if you are

doing fund accounting). Page 15 is a special worksheet for newsletters. Page 16 is for any commentary or questions that you have for the Exchequer receiving your report.

This packet may seem like a lot of work (and paper), but you will probably only use a few entries on the worksheets at any one time. The forms are designed to leave plenty of space for legible handwriting. If you need more space on any of the worksheets, for the paper version, use another copy of the same worksheet and combine the totals when done. For the Excel version, use the Large version, or add the detail in on the free-form page in the back of the workbook.

Remember, if you are using the paper forms, you must file and send in all forms shown as REQUIRED on the table of contents, including signatures. If you are using the Excel forms, you must send in the first 4 pages with signatures even if you email the whole report to the reporting officer, and print out the forms shown as REQUIRED on the table of contents for your files.

A. Report Formats Available

This report packet has several pages. The forms are available at www.sca.org in two formats: Microsoft Excel and Adobe PDF. Microsoft Excel is a spreadsheet package, and Adobe PDF is a read-only document format for printing only.

There are three versions of the forms – Small, Medium, and Large. The small version is for new branches or those with little activity. This version assumes that there are no secondary accounts, no equipment or inventory, and very few transfers.

Medium is sufficient for almost every branch or account within the SCA. This version has one copy of each possible page, and two copies of each transfer page.

Large has extra worksheets to allow for more activity, and would be used by Kingdom account, or branches with a lot of events or activity. The extra worksheets feed into the primary worksheets. If you need **more** room for detail in any area, add additional sheets to the printed version, or use the free-form page on the back of the Excel workbook.

EXCEL ONLY

Boxed sections will have features or instructions specific to the Excel format of the forms. As of this update, the most recent release of all the forms is 1.2. The differences between release 1.1 and 1.2 are all related to Excel usability and amount of information possible to enter on the forms – the reporting lines on the forms themselves did not change.

WORKBOOK VERSIONS

The Excel forms come both locked and unlocked. **It is HIGHLY recommended that you use the locked version** – you cannot overwrite formulas or formats in the locked version. The unlocked version is available solely for use in non-Microsoft spreadsheet applications, or so customized links to other software can be added.

If you must use the unlocked version – **don't change the version text**. It will help the receiving officer if they can see whether you use the locked or unlocked version when there is a problem. The idea is that if there is a problem with the numbers and you used the locked version, the receiving officer can see that and they don't have to check the formulas as part of the research – so they can save time.

If you use the unlocked version and add sheets – they will not print as part of the macros unless you change the macros as well. If you use the unlocked version and delete sheets – you **will** break the workbook, not just the macros.

PAGES

On every page are hyperlinks to every other page to help with navigation around the forms. The print area has been set to print properly already, and shouldn't need to be changed.

FIELDS

In the Excel workbook, all editable fields are light blue. Fields that will either be editable or not based on other input will change from white to light blue or vice versa. All other cells should be locked to protect the formulas and format, although an unlocked version is also available for use in non-Microsoft spreadsheet applications.

If you want to enter a formula into one of the light blue numeric cells, you must place an equal sign (=) at the front of the calculation for it to display properly.

You can put any data you like on that last page, as it's completely unlocked.

The fields will expand if you type in more text than the description columns can display. This will mean that the printed version of the forms will spread across more than one page.

B. Balancing the Report

First, determine how far you are off by subtracting the *Change in Net Worth* from the *Net Income*. The Excel version shows the difference off to the right of the form on the **Comparative Balance Statement**. Then test the off amount to see which rule it fits below:

1. Off amount equal to amount of one transaction.

Can the amount you're off by be traced to a particular transaction? If so, go back to that transaction and see if you forgot to record both sides of the transaction. Remember, we are essentially using double entry accounting when doing the balance sheet and income statements, so any transaction that you only record one side of will be off by that amount.

For example, if you're out of balance by \$100 and you can track that down to a specific deposit into the bank account, the question becomes did you remember to recognize that \$100 as income somewhere in one of the income accounts, or record it as a liability if it was a refund or advance of some sort? Verify that cash and checks shown as outstanding on the cash reconciliation sheet have been also included on the expense sheet and vice versa. Some out-of-balance reports come down to someone having put an outstanding check on the cash reconciliation sheet and thus reducing the assets but not putting the same item on the **Income Statement** (or vice versa).

2. Off amount evenly divisible by 3.

It might be a transposition error (e.g. writing down \$156 one place, and \$165 as the other entry). How do you tell if it's this problem? If the difference is evenly divisible by 3 (or 9, which is how some schools teach it), then it's probably a transposition error. For example, in the example above the difference between 156 and 165 is 9 ($165 - 156 = 9$). Nine is divisible by three. This will always be the case in a transposition error regardless of the amount, even with large amounts. For example, 5146 gets converted into 1546. This is a difference of 3600, which is divisible by 3 (1200). 145623 could be converted into 146523 (900 difference, which divides equally by 3). NOTE: This should work even if the transposed numbers are not next to each other.

3. Beginning Number Error

Did you copy the beginning numbers from the prior report correctly? It might sound brainless, but it's a common problem. In particular, did you change your beginning numbers from the last report because you found an error and decided to fix it? This can be fixed if it's still within the same year, but do it as 2 separate transactions (the original wrong one, and then the correcting one) - don't try to fix the original entry since it will only confuse you even more. If it happened in a prior year, fix it by making entries in the "other income/expense" lines and attach a note of explanation. Don't go back to your prior year report and say, "I goofed so I'll change the ending numbers." At this point the prior year is set in stone.

4. Depreciation Error

Is the amount related to your depreciation? You might be able to figure this out if the amount you're off by corresponds to the current year depreciation on one (or all) of your assets. If this is the case, did you remember to add the current year depreciation to the accumulated depreciation? Is it also included in the Depreciation line on your **Income Statement**? You'd be surprised how many times a group will calculate the depreciation, add it to the accumulated depreciation, and not claim it as an expense on the **Income Statement**. Remember, we only calculation depreciation expense at the end of the year during the 4th quarter.

5. None of the above

Sometimes if you don't immediately recognize the amount, and it's not a transposition error, you have failed to post both sides of more than one transaction. Because these add up, they're hard to track. If you've been doing regular quarterly reports in the financial format used for the year end report (i.e. **Comparative Balance Statement** and **Income Statement**, with difference equal to zero), and you were in balance the previous report, all you should need to do is double check your entries since then. Have you recognized income/liability for each bank deposit? Making bank deposits increases your "Cash in Bank" balance, an asset, so you must make a corresponding increase in income or increase in liability to make the net effect zero. If you've written checks, did you decrease the bank account? Did you increase your expenses or decrease your liability? This works in reverse from income.

6. Ask for help

When all else fails, call your Regional or Kingdom Exchequer and ask for help. Sometimes a second pair of eyes will find it in seconds after you've torn your hair out for hours.

III. SPECIFIC FORM INSTRUCTIONS

Even though the recommendation is to populate these forms back-to-front, we will cover them in numerical order. Additional functionality available in the Excel workbook on each page will be listed at the end of each page's description.

If you are using the printed version, enter the name of the branch, the start date and the end date at the top of all forms.

In the Domesday report, the start of period is the last day of last year, and the end of period is the last day of this year (i.e., December 31, 2005 and December 31, 2006 for the 2006 Domesday Report). If this is the Domesday report, the Kingdom Exchequer sends you a packet or emails you a workbook with the start date numbers from last year's report filled in for you.

Quarterly reports are calculated as either Sequential (December 31 – March 31, March 31 – June 30, June 30 – September 30) or Cumulative (December 31 – March 31, December 31 – June 30, December 31 – September 30).

To some people, it would make more sense to use the starting date of a period (January 1) rather than the last date of the previous period (December 31, previous year) as the starting values. We use December 31 (or the last day of the prior quarter) because we must have a continual chain of numbers, and the numbers as of January 1 may not be the same as of December 31.

THE SECRET TO EASY AND QUICK REPORT COMPLETION

The easiest way to fill out the financial report packet is back to front - do the worksheets first, then fill in the numbers on the first two pages from the worksheets. Then complete the first two pages by filling in the numbers on the lines that have no worksheets. If you are using the Excel version of the forms, the numbers will be filled in for you.

If all the numbers are correct, the *Change in Net Worth* on the **Comparative Balance Statement** will match the *Net Income* on the **Income Statement**, and the report will be balanced.

A. Table of Contents –or– Constants

This form has the Table of Contents for the whole workbook. At the bottom of the Table of Contents is version information. Make sure you have the most recent version to work with. At the time of this writing, the correct version was AS XL 1.2 <type> <format>. There are three types, Small, Medium, and Large. The <format> part will show if you are using the Adobe PDF version, the locked Excel version, or the unlocked Excel version.

EXCEL ONLY

If you are using the Excel version, on the left side of the page is a box for entering the branch name, the year as a four-digit number, the quarter (drop down box) and whether the report is Cumulative or Sequential. Enter this data to set up the formulas in the rest of the workbook to work correctly.

Also on the bottom of the left side of the sheet are three buttons. If you have selected to enable macros when you opened the workbook, these three buttons will work. The first button on the left will only print out the table of contents and pages 1, 2, 3a, 3b, and 4. (3a and 3b may not print if there is no data on those pages.) These are the pages that have to be printed, signed, and sent in to your reporting officer regardless of whether you also email in the workbook. The second and third buttons will print out all forms marked as REQUIRED in the Table of Contents. Use whichever one is more convenient for how the documents are printed by your printer.

B. (1) - COMPARATIVE BALANCE STATEMENT

If you are a group outside the US using these forms, fill in the forms using your native currency, for example, Canadian Dollars, and indicate at the top of the **Comparative Balance Statement** and **Income Statement** what currency it is completed in. The Change in Net Worth and the Net Income/Loss should still equal each other in your own currency.

This form shows what your branch was worth at the start and end of some time period, and shows you how much your value increased or decreased over that time period. This is known as the Change in Net Worth.

This form has three sections - Assets, Liabilities, and Net Worth. In each section, there are two columns on the right side of the page, one for starting amounts, and one for ending amounts.

1. Assets

Assets are things that the branch owns that have some value - cash, or non-cash. Cash assets include Cash on Hand, Cash in Non-interest-bearing accounts, and Cash in Interest-bearing accounts. Non-cash assets are further separated into three categories: Inventory, Regalia, and Equipment. Receivables are cash or value owed to us from outside the SCA, such as unreconciled advances of funds or bounced checks. Other Assets are funds that are being held by another entity outside the SCA such as refundable site deposits or bonds that have been paid but not returned. Anything else that doesn't fit in one of the other categories would also be listed here.

Entries for cash should reflect the ending balance at the ending date of the period in your check register. We use cash accounting, so we consider any check written on or before the ending date of a period to be an expense in that period. The check need not have been cleared by the ending date, just dated. Similarly, any funds received on or before the ending date are that period's income. The bank may not have received the deposit by the ending date, but if the cash or check was in your possession on or before the ending date, it is that period's income.

The only **exception** to this is a check drawn on another SCA account – the check is always reported in the period corresponding to the date on the check for both the sending and receiving branch – even if the receiving branch didn't receive it before the end of the period.

a. Undeposited and Non-Interest-Bearing Cash

Enter the total *Undeposited Cash and Late-Arriving Transfer Checks* calculated on the **Comparative Balance Detail** form plus the total *Ending Balance in Account Register* calculated on the **Primary Account Reconciliation** form.

b. Cash Earning Interest

Enter the total *Cash Earning Interest* calculated on the **Primary Account Reconciliation** form.

c. Receivables

Enter the total *Receivables* calculated on the **Comparative Balance Detail** form.

d. Inventory for Sale (Major Inventory)

Enter the total *Ending Extended Cost* calculated on the **Inventory Detail** form.

e. Regalia & Non-Depreciated Equipment

Enter the total *Regalia and Non-Depreciated Equipment* calculated on the **Regalia & Other Sales Detail** form.

f. Depreciated Equipment

Enter the total *Prior Cost or Value* and total *Current Cost or Value* calculated on the **Depreciation Detail** form.

g. Accumulated Depreciation

Enter the total *Accumulated Depreciation* calculated on the **Depreciation Detail** form.

h. Other Assets

Enter the total *Other Assets* calculated on the **Comparative Balance Detail** form.

i. Total Assets

For each column, add lines I.a through I.f to line I.h, and then subtract line I.g.

2. Liabilities

Liabilities are money or value that we owe to others that has not yet been paid. Newsletter Subscriptions Due are liabilities because we owe subscriptions not yet delivered to the subscribers. Payables might be event refunds not yet paid, reimbursements not yet paid, or sales tax collected but not yet sent to the government. Other Liabilities would be anything that doesn't fit in another category, and should be infrequently used.

The most common liabilities are Newsletter Subscriptions -- someone has paid for a number of issues to be delivered as they become available. If the newsletter stops publication, that person is owed the money for issues of the newsletter not yet received.

a. Newsletter Subscriptions Due

Enter the total *Balance of Subscriptions Due* from the **Newsletter Income Worksheet**.

b. Payables

Enter the total *Payables* calculated on the **Comparative Balance Detail** form.

c. Other Liabilities

Enter the total *Other Liabilities* calculated on the **Comparative Balance Detail** form.

d. Total Liabilities

Add lines II.a through II.c.

3. Net Worth

Net Worth is the difference between Assets and Liabilities. Subtract line II.d from line I.h for each column.

4. Change in Net Worth

This is one of the magic numbers. Subtract the *(Start) Net Worth* from the *(End) Net Worth*. Match this figure with the *Net Income* on the **Income Statement**. The two figures **MUST** match, i.e. each must be the same amount and the same sign. A change of net worth of a negative \$100 is not equal to a net profit of \$100. If they do not match, go back through all your figures and try again.

5. Signatures

The Exchequer must sign the Domesday report. Kingdoms may require more signatures more often.

EXCEL ONLY

The main editable parts of this form are lines I.a, I.b and II.a in the Start column. Your Kingdom Exchequer may send you a form for the Domesday report with these figures also locked.

Once the report balances, the Proof numbers will be highlighted in green. If not, there is a figure to the right of the form that shows how far the report is out of balance.

The only other editable parts of the form are the names of the Seneschal and Exchequer at the bottom of the form.

C. (2) - INCOME STATEMENT

This form is separated into two sections – Income and Expenses. At the bottom of the form is a place for signatures.

INCOME**1. Fund Raising**

There are two parts to this line – Internal and External. Both are calculated on the **Income Detail Part 1** form.

2. Direct Contributions/Donations

This is calculated on the **Income Detail Part 1** form.

3. Activity Related

These two lines are calculated on the **Income Detail Part 1** and **Income Detail Part 2** pages.

4. Funds Received From Another SCA Account

- a. Within Kingdom
- b. Outside Kingdom

Both of these lines are calculated on the **SCA Funds Transferred Detail - IN** form.

5. Interest Earned

This is the income received from interest bearing accounts or instruments, taken from the bank statements.

6. Net Inventory Sales Income

This amount is calculated on the **Inventory Detail** form.

7. Other Sales Income

This is calculated on the **Regalia & Other Sales Detail** form under *Other Sales Income*. Enter the total of the *Income from Sale* column.

8. Adjusted Gross Newsletter Income

This is calculated on the **Newsletter Income Worksheet**.

9. Net Advertising Income

This is calculated on the **Income Detail Part 2** form.

10. Other Income

This is calculated on the **Income Detail Part 2** form.

11. GROSS INCOME

Add lines 1 through 10.

EXPENSES

When recording expenses, there is a distinction between *Office & Administration*, *Activity Related*, and *Fund Raising* for the lines 12 through 26.

Office & Administration expenses are those incurred in running the organization or publishing a newsletter.

Activity related expenses are related to activity for which the Society was created: research and education about the period prior to the year 1600 A.D. Examples of these activities are revels, feasts, tournaments, and collegia. All expenses directly related to the running of events are placed in this category, such as site rental, flyers, food, and prizes, as well as for demos and other medieval-type activities.

Fund Raising activities are non-medieval activities that are designed specifically to raise money. If an event revolves solely around the fund-raising activity, such as a shire garage sale, the event is considered Fund Raising. If the fund raising is only a part of an event's activities, the event is considered Activity Related, but the expenses involved in holding that activity at the event are considered Fund Raising.

Enter the amount of each expense under the proper column, and then add across to fill the total column.

12. Advertising (NON-SCA)

Enter the total *Advertising* for Activity Related as calculated on the **Expense Detail Part 1** form.

13. Bad Debts

Enter the total *Bad Debts* for each category as calculated on the **Expense Detail Part 1** form.

14. Bank Service Charges

All fees charged for bank accounts are listed on this line. Most bank service charges are *Office & Administration*, although charges due to event activities would be *Activity Related* and fees due to fund raising activities would be *Fund Raising*.

15. Depreciation

Enter the total *Depreciation This Year* as calculated on the **Depreciation Detail** form. This should be zero for the first, second and third quarter reports.

16. Equipment Rentals & Maintenance

This category contains any rental of equipment or the maintenance of the group's equipment. The rental of a typewriter for use by the group is recorded as *Office & Administration*. The rental of a truck to haul hay bales to a tourney site should be recorded under *Activity Related*.

17. Fees & Honoraria

Enter the total *Fees & Honoraria* for each category calculated on the **Expense Detail Part 1** form.

18. Food

The food and beverage expense of feast (*Activity Related*), the refreshments at the branch meeting (*Office & Administration*), or the cost of bake sale supplies (*Fund Raising*) would be reported on this line.

19. General Supplies

List ropes, books, dishes, minor inventory, prizes, etc. belong here. Essentially, just about everything that doesn't fit specifically into another category may wind up here.

20. Insurance (NON-SCA)

Enter the total Insurance for *Activity Related* as calculated on the **Expense Detail Part 2** form.

21. Occupancy & Site Charges

Hall rentals, site charges, hotel expenses, and any expense incurred for the use of real property goes in this category. If the hall was used for a business meeting, the expense is recorded as *Office & Administration*; if the hall was used for an event, then the expense is placed under *Activity Related*. Hall rentals from churches where we give them money in return for the use of the space are always reported as *Occupancy*, not a donation.

22. Postage and Shipping, PO Box Rental

This is all postage of the group, such as the postage for the branch newsletter, or officers' expense for correspondence relative to their office. Newsletter postage expenses are placed under *Office & Administration*. Event flyer postage is placed under *Activity Related*.

23. Printing and Publications

This includes all expenses created by printing, including the newsletter. Newsletter printing expenses are placed under *Office & Administration*. Event flyers are placed under *Activity Related*. The only printing expenses that are not reported here are those related to *Advertising Income*.

24. Removed Assets

Enter the total *Value Lost* amount calculated on the **Regalia & Other Sales Detail** form under *Other Sales Income*.

25. Telephone

Telephone calls are not very common, although some officers at Kingdom level may have dedicated phone lines. If a phone bill is for a dedicated line that is used strictly for SCA business, 100% of the expense may be covered. If the phone is a personal account with a bulk-calling plan, then only a percentage of the monthly rate may be covered by the SCA. Contact your Kingdom Exchequer for the appropriate rate of reimbursement for your branch.

26. Travel (Gas, Tolls, Airfare)

Any expense created by travel related to the group's operation is reported here. Examples are mileage at the IRS charitable expense rate, gas, tolls, oil, airfare, and rental car expenses. Although the SCA itself doesn't rent cars, we will reimburse individual expenses for rental cars if used solely for SCA business and approved beforehand. Not allowed are insurance, repairs to any vehicles and traffic or parking tickets. Hotel expenses are reported under *Occupancy*.

27. SUB-TOTAL

Add lines 12 through 26 for each column. Add each line across to get the Total column, and then add lines 12 through 26 for the Total column. This line's total across must equal the Totals Column's total down.

28. Other Expenses

Most expenses will fit in one of the above or below categories. For any which truly do not, enter them on the **Expense Detail Part 2** form, and use that form to calculate this item.

29. Donation to Other 501(c)(3) [Nonprofit] Organizations

This amount is calculated on the **Expense Detail Part 2** form. Hall rentals from churches are always reported as *Occupancy*, not a donation.

30. FUNDS MOVED TO ANOTHER SCA ACCOUNT

- a. Within Kingdom
- b. Outside Kingdom

These lines are calculated on the **SCA Funds Transferred Detail - Out** form, described below.

31. TOTAL EXPENSES

Add line 27 Total to lines 28 through 30.

32. NET INCOME

Subtract line 31 from line 11. Transfer the *Net Income* to the **Comparative Balance Statement**. This figure and the *Change in Net Worth* must match. If it does not, you must recheck your figures.

33. Signatures

The Exchequer must sign the Domesday report. Kingdoms may require more signatures more often.

EXCEL ONLY

The main editable parts of this form are Income line 5, and Expense lines 14, 16, 18, 19, 21, 22, 23, 25 and 26.

The names of the Seneschal and Exchequer at the bottom of the form will be filled in automatically from the **Comparative Balance Statement**.

D. (3a) PRIMARY ACCOUNT RECONCILIATION

This form is used to reconcile the books for the primary branch account at the end of the month or quarter for this report. It is similar to the one often found on the back of bank statements. Here, it is labeled so that the results can be correctly entered on the **Comparative Balance Statement**.

In the top box, enter the bank name, bank account title, bank account type, required number of signatures, bank account number, bank statement ending date, and (if you have one) the name and phone number of a bank officer you have been dealing with.

1. Ending Balance from Bank Statement

Look on your bank statement that covers the last date of the period of your report. Enter the balance listed there.

2. Total Deposits Not Credited on Statement

List all the deposits you have entered in your account register that aren't checked off as shown on any bank statement. Show the deposit date and amount. If you have more deposits than the six lines here, you can add some together to make it fit. Add the amounts together to get the total.

3. Total Checks Not Cleared on Statement

List all the checks that haven't appeared on a bank statement yet. If you have more checks than the 20 lines here, you can add some together to make them fit. Add the amounts together to get the total.

4. Adjusted Bank Balance

Add line 1 to line 2 and subtract line 3. This is the adjusted bank balance - you have adjusted the bank balance to reflect transactions that you have posted but the bank hasn't.

5. Ending Balance in Account Register or ledger

Enter the ending balance you show in your account register.

6. Does This Account Earn Interest?

Enter YES or NO. This will show you where you enter the line 5 amount on the **Comparative Balance Statement**. If you have an interest bearing account, enter the balance amount on line *I.b. Cash Earning Interest*. If not, enter the balance amount on line *I.a. Undeposited and Non-Interest Bearing Cash*.

7. All Persons on Signature Card as of (date)

Enter the date of the last time the signature card was changed for this account.

8. Signatories

Enter the title, legal name, address, membership number, and expiration date on the lines for all signatories. If there are more than five signatories including the outside signatory, add the additional information on the comment form.

9. Signatures

The Exchequer must sign the Domesday report. Kingdoms may require more signatures more often.

EXCEL ONLY

Line 4 will not show up until you enter a matching amount in line 5. If they don't match, the difference amount is shown to the right of the form. Once they do match, line 4 will become visible and both line 4 and line 5 turn green.

The box for line 6 is a drop-down box, for YES, NO or blank.

In the Signatory area, the Exchequer information from the Chancellor of the Exchequer Contact Information form will automatically populate here so you don't have to type it multiple times in the same workbook.

Cells containing the membership expiration date will turn yellow if the expiration date is within two months after the ending date for the report, and will turn red if the expiration date is before the ending date for the report.

E. (3b) SECONDARY ACCOUNTS RECONCILIATION

This form is used to reconcile the books for the secondary branch accounts at the end of the month or quarter for this report. It is similar to the one often found on the back of bank statements. Here, it is labeled so that the results can be correctly entered on the **Comparative Balance Statement**.

In the top section, enter the bank name, bank account number, required number of signatures, bank account type, whether the account is interest bearing, and bank statement ending date.

1. (A) Ending Balance from Bank Statement

Look on your bank statement that covers the last date of the period of your report. Enter the balance listed there.

2. (B) Total Deposits Not Credited on Statement

Show the total deposits not yet credited on the most recent statement.

3. (C) Total Withdrawals Not Cleared on Statement

Show the total withdrawals not yet credited on the most recent statement.

4. Non-Interest Bearing Adjusted Bank Balance

If the account is not interest bearing, add line A to line B and subtract line C. This is the adjusted bank balance - you have adjusted the bank balance to reflect transactions that you have posted but the bank hasn't. Add the total across to the **Comparative Balance Statement** line *1.a Undeposited and Non-Interest Bearing Cash*.

5. Interest Bearing Adjusted Bank Balance

If the account is interest bearing, add line A to line B and subtract line C. This is the adjusted bank balance - you have adjusted the bank balance to reflect transactions that you have posted but the bank hasn't. Add the total across to the **Comparative Balance Statement** line *1.a Cash Earning Interest*.

6. Ending Balance in Account Register or ledger

Enter the ending balance you show in your account register.

7. Signatories

Enter the legal name, membership number, and expiration date on the lines for all signatories. If there are more than five signatories including the outside signatory, add the additional information on the comment form.

EXCEL ONLY

The boxes for # Signatures Required, Account Type, and Interest Bearing are drop-down boxes.

Select YES or NO for 'Interest Bearing?' and enter the Statement Ending Date to enable the bank balance calculations. Adjusted Bank Balance will not show up until you enter a matching amount in Account Balance on Register/Ledger. Once they do match, the appropriate Adjusted Bank Balance will become visible and both the Adjusted Bank Balance and the Account Balance on Register/Ledger turn green.

Cells containing the membership expiration date will turn yellow if the expiration date is within two months after the ending date for the report, and will turn red if the expiration date is before the ending date for the report.

F. (4) CHANCELLOR OF THE EXCHEQUER INFORMATION FORM

Enter your personal contact information in the top box. You should know your warrant end date; if you don't, ask your Kingdom Exchequer. If the bank statements get sent to a different mailing address, enter that in bottom section of the first box.

The second and third sections are for contact information for your deputies. Enter the type of deputy (emergency, chamberlain/quartermaster/etc.) and their contact information. They should also have membership information.

EXCEL ONLY

Cells containing the membership expiration date will turn yellow if the expiration date is within two months after the ending date for the report, and will turn red if the expiration date is before the ending date for the report.

G. (5) - COMPARATIVE BALANCE DETAIL

This form is used to detail certain items from the **Comparative Balance Statement**. There are five sections: *Undeposited Funds and Late Arriving Transfer Checks*, *Receivables*, *Other Assets*, *Payables*, and *Other Liabilities*. For the first section, there's space for 8 entries. For the other four sections, there is space for both current and previous period entries in order to keep things straight from quarter to quarter and year to year.

If you have more than will fit for a section on this form, use as many forms as needed to list every entry, or use another sheet of paper, and add the totals of the forms together to get the number to place on the **Comparative Balance Statement** where indicated.

The Large version of the report has an extra worksheet with more lines for more items, but only for the bottom four sections.

1. Undeposited Funds and Late Arriving Transfer Checks

Total all un-deposited cash not being stored in the bank. List the reason why it is not stored in a bank and the amount. If, during the Domesday season, you receive a transfer check that was written in the prior year, enter the sending branch and the amount of the check in the grid. This will enable your Reconciliation to stay unchanged but get the amount into line 1.a on the **Comparative Balance Statement** to balance the report to offset the transfer income.

Add the total to *1.a Undeposited and Non-Interest-Bearing Cash* on the **Comparative Balance Statement**.

2. Receivables

Receivables are money owed to the group as of the report end date from any source. That money is ours until either the money is returned or is reconciled by the presentation of receipts. This money may have been already reported as income somewhere else, but isn't in our cash assets yet. SCA branches should never appear in Receivables – the SCA doesn't owe itself money on these reports.

Example 1: Bad checks that have a reasonable chance of recovery. This income would have been reported under *Adjusted Gross Event Related Income* if it was from an event.

Example 2: Cash Advances that have not been resolved (resolved means that receipts & cash equal to the value of the advance have been presented to the Exchequer). Cash advances don't have an expense associated with them, just a movement between asset categories.

If you are owed money before the end of the quarter, and get paid after the end of the quarter, report the money as a receivable, and report the money as income. If you don't report the money in both places, your report won't balance.

To complete the form, fill in each line with who owes us the amount, the reason they owe the money, the prior period's amount and the current period's amount. Add up the *Current Amount* column, and place the total on the **Comparative Balance Statement**, line *Receivables*, under the *(End)* column. The total of the *Prior Period Amount* column should equal the *Receivables* line on the **Comparative Balance Statement** in the *(Start)* column.

3. Other Assets

Other Assets are items or money someone else has, but which should be returned to us. **Example:** Refundable deposit for an event site. This is not a receivable because it may happen that we don't get the damage deposit back. This does not get recorded as an expense; it is just moved from *Cash* to *Other Assets*. It gets moved back when the refund is received or removed if an expense is recorded.

Fill in each line with the description of the item or transaction, the prior period's amount and the current period's amount. Add up the *Current Amount* column and place the total on the **Comparative Balance Statement**, *Other Assets*, under the *(End)* column. The total of the *Prior Period Amount* column should equal the *Other Assets* line on the **Comparative Balance Statement** in the *(Start)* column.

4. Payables

Payables are unreimbursed receipts that we intend to reimburse. We don't consider that we owe money to anyone without either a valid receipt, or a bill for goods or services that have been approved by the Financial Committee and that have been received in satisfactory condition. Just because someone submits a bill or receipts for an item, such as for additional cleaning fees that we are disputing, does not mean that they are entitled to reimbursement.

Fill in each line with the name of the person or business to whom it is owed, why they are owed the money, the prior period's amount and the current period's amount. Add up the *Current Amount* column and place the total on the **Comparative Balance Statement**, *Payables*, under the *(End)* column. The total of the *Prior Period Amount* column should equal the *Payables* line on the **Comparative Balance Statement** in the *(Start)* column.

5. Other Liabilities

Other liabilities are items that we hold that we don't own. One example of an Other Liability is if we take advance registrations for an event in the following year. Those registrations aren't a payable because we don't owe the money back; we've taken in the money in advance of providing a service, but if we fail to provide that service by canceling the event, **then** the amount would become a payable because we'd owe the money back to the people who pre-registered.

Fill in each line with the amount owed, to whom it is owed, and why they may be owed the money. Add up the *Amount* column and place the total on **Comparative Balance Statement**, *Other Liabilities*, under the *(End)* column. The total of the *Prior Period Amount* column should equal the *Other Liabilities* line on the **Comparative Balance Statement** in the *(Start)* column.

H. (6) - INVENTORY DETAIL

Inventory is items that we obtain or make to sell to others. All items still held at the end of the period are considered inventory on hand. The original value of the inventory is the cost at the time of purchase or the cost of the materials used to make the item (the historical cost).

Each individual purchase of a set of inventory is considered a **lot**. Each lot is sold until it is gone. There is no adding back into lots, each new purchase of the same item is treated as a different lot. Each lot should have one column. Consider the oldest ones owned to be sold first.

There is a lower limit of \$250 per lot before needing to use this worksheet. Inventory lots with an original price of less than \$250 would be reported as Minor Inventory and expensed as *Supplies - Activity Related*, and income from the sale of those items would be reported under *Other Sales Income* on the **Regalia and Released Assets Worksheet**.

Inventory that has been reported on the **Inventory Detail** form must still be reported using this worksheet until the inventory is gone (sold, discarded, etc.).

When inventory is added to a branch's assets, the **Comparative Balance Statement Inventory For Sale** increase is offset by a decrease to *Cash* for the amount paid for the inventory (either as items or in supplies). *If the inventory is from a donation, the reporting value of the inventory is zero.*

For the purposes of this worksheet, money moved to another SCA account to pay for inventory is considered a separate transaction from the movement of inventory. In that case, the inventory is treated as a donation, so the value of the inventory is zero.

To fill out this form, start from the top and go to the bottom. Then add the numbers across to where there is an empty box in the *Total Across* column. The formulas are included on the lines where they are used. If you have more than four kinds of items for sale, use as many sheets as necessary to list all the different items you have as inventory, and add the total columns together (matching line items) to find the total number to enter on the other pages as indicated on the bottom of the worksheet. Follow the directions below for each different item.

The Large version of the report has an extra worksheet with more columns for more items.

1. Description and Selling Price

Enter the *Item Description* and *Suggested Selling Price* in the boxes at the top of the form. Duplicate items with different values should be entered with the purchase date or price in the description to differentiate the groups of the same item.

Enter the *Per Unit Cost* for each item (what it cost to obtain/create each item). If this is a new purchase, divide the purchase price by the quantity. If the item was a donation, enter zero. If this item was previously reported, use the *Ending Extended Cost* (Line H) divided by the *Ending Inventory Quantity* (Line G) on the previous report for this value.

2. (Line A1)

Enter the quantity of the item present at the start of the period from the previous report.

3. (Line B1)

Enter the value of the item present at the start of the period from the previous report.

4. (Line A2)

Enter the new quantity of the item added during this reporting period.

5. (Line B2)

Enter the value of any new inventory purchased. This value should be more than \$250.

6. (Line C)

Calculate the *Per Unit Cost* by dividing Line B1 by Line A1 for existing inventory, or B2 by A2 for new inventory.

7. (Line D) Quantity Sold

Enter the *Total Quantity Sold* of this item during the reporting period.

8. (Line E) Quantity Removed or Discarded

Enter the *Total Quantity Removed or Discarded* of this item during the reporting period. Not every item has to be sold for a price. Some could be damaged. You can back into this by subtracting the *Beginning Quantity* and *Quantity Sold* from the *Ending Inventory Quantity*.

9. (Line F) Ending Quantity

Calculate the *Ending Quantity* by subtracting Lines D and E from Line B1 or B2.

10. (Line G) Ending Extended Cost

Calculate the *Ending Extended Cost* by multiplying Line F with Line C. The total across of this line gets reported on the **Comparative Balance Statement**, line *I.d. Inventory for Sale (End)*.

11. (Line H) Cost of Goods

Calculate the *Cost of Goods Sold* by subtracting Line G from Line B1 or B2. The total across of this line gets reported as *Gross Cost* on the **Income Statement**.

12. (Lines I) Actual Gross Income from Inventory Sales

Enter the **actual** total amount received for sale of that inventory item during that reporting period. It is important that this value be the actual amount of money you received - otherwise your report won't balance. You can calculate the expected *Gross Income from Inventory Sales* by multiplying line D with the *Sales Price*. Check this figure with the actual amount you received from inventory sales to see how close you were. The difference can be explained by the inventory given away or damaged. The total across of this line gets reported as *Gross Sales* on the **Income Statement**.

13. (Line J) Net Inventory Sales Income

Calculate the *Net Inventory Sales Income* by subtracting line H from line I. This is your net income per lot for the reporting period.

14. Total Across

Calculate the totals across and place the results on the forms and lines indicated at the far right. If there is more than one worksheet, add the results on the same lines together and place them on the lines as indicated.

EXCEL ONLY

Entering a number in either line A1 or B1 in a column will make the cells for A2 and B2 to turn white in that column, and vice versa. Data should only be entered either in A1 and B1 or A2 and B2, but not both.

I. (7) REGALIA & OTHER SALES DETAIL

This worksheet is where the non-depreciable equipment (Regalia) is itemized, as well as where all assets leaving our possession that are not originally reported as inventory are listed. For Regalia, there is a \$500 lower limit on the value of the items listed here. The limit applies to the original value of the items or group of identical items, such as two coronets for \$500 together. Items reported in the past continue to be reported until the item leaves the SCA's possession.

The Large version of the report has an extra worksheet with more lines for more items.

1. Regalia & Non-Depreciated Equipment

Regalia are works of art or jewelry that are used for display or ceremonial use. These items are used over and over, without a steady decrease in value. Common examples are: crowns, scepters, swords, heraldic feast gear, etc. Regalia may include soft goods such as banners, pillows, baldrics, etc. **ONLY IF** they qualify as works of art, such as hand embroidered kneeling pillows or metal thread embroidery banners. Regalia should be limited to jewelry type items and valuable pieces of art.

Regalia should not include items that will see regular use on the field of battle, since that shortens their lifespan considerably - those items should be treated as Equipment if they are valued at \$500 or more. Thrones should not be treated as Regalia but as Equipment, since time has shown us that they generally don't last forever, but get a great deal of wear and tear. Regalia shouldn't be subject to "extreme wear over a short period of time." If it is, then it should be treated as general supplies if it's under the limit, or as Equipment if it's over the limit. Regalia is defined by what it is, not by who uses it.

In 1999, the definition of Regalia was narrowed to objects that are regarded more as works of art rather than ceremonial pieces. Objects that were reported as Regalia before that time that do not qualify under the new definition are to continue to be reported as Regalia until the object leaves the branch's possession. Thrones are one example of objects that were reported as Regalia before 1999, but are now classed as Equipment and depreciated.

If someone donates equipment that should be recorded on the **Comparative Balance Statement**, with a donor-determined Fair Market Value (FMV) of over \$500, the item gets listed here. We don't depreciate donations or donated value as a general practice.

For each item, record the *Description*, the *Quantity*, and the year it entered your branch or guild's possession under *Year Acquired*. If it was purchased before the year of the report, enter its initial or start-of-period dollar value under column (A) *(Start) Prior Value*. If the item was purchased during the year of the report, place its initial cost or FMV under column (B) *New Item Value*.

If the value of an item remains unchanged, just place the value under (A) or (B) under the column labeled *Current Value*. Calculate the totals down and place where specified on the **Comparative Balance Statement**.

If the FMV of an item of regalia changes (due to improvement work done, or damage), we account for the change in value in column (C) *Value Adjustment*. The amount of adjustment is a) the cost of the supplies used by a volunteer to improve the item, b) a new appraisal by a non-SCA appraiser minus the previous value, or c) a negative value to zero out the total value because the item is no longer in our possession.

Enter the dollar value of the change under (C) *Value Adjustment*, and add it to the values under (A) or (B) on that line to get the Current Value. If you only know the new current value, enter it in the far right column and subtract (A) from it to get (C).

When summing the columns to get the total, only sum the values in Column C that are greater than zero. Any negative values will be ignored in the Excel workbook, as they get entered below in section 2.

2. Other Sales Income

This grid has two sections. The top section is for Minor Inventory (inventory initial value < \$250). Enter the item description, how many were sold, and the income from sale of those items.

The bottom section is for selling or removing items of Regalia from the report, or removing depreciating equipment that wasn't fully depreciated.

a. Depreciable Asset is sold or removed

If a depreciating asset is sold, destroyed, lost, or falls apart, enter the *Description* and *Year Acquired*. Enter the (A) *Initial Cost or Donated Value*. Enter the total depreciation for the start of period under (B) *(Start) Accumulated Depreciation*. An item doesn't depreciate the year it is released. If the item was sold, enter the sale income under *Income from Sale*. Subtract (B) from (A) to get *Value Lost*. Total the far right column, and place the total on the **Income Statement** as directed on the report.

Example: Your branch has a \$500 copy machine with accumulated depreciation of \$300. Copy machines use the 5-year schedule. The copy machine is dropped and destroyed beyond repair. (A) is \$500, (B) is \$356 (3 years depreciation

on the 5 year schedule), *Value Lost* is \$144. If you sell the copy machine to someone for parts for \$50, *Income from Sale* is \$50, and *Value Lost* is \$144. Enter the \$144 under *Office & Administration - Released Equipment* on the **Income Statement** and the \$50 on the **Income Statement** under *Other Sales Income*. Remember to remove the negative sign on the **Income Statement** Expense section.

b. Regalia Asset is sold or removed

If a Regalia-type asset is sold, destroyed, lost, or falls apart, enter the *Year Acquired*. Enter the (A) *Initial Cost or Donated Value*. If the item was sold, enter the sale price under *Income from Sale*. Subtract (B) from (A) to get *Value Lost*. Total the far right column, and place the total on the **Income Statement** as directed on the report.

Example: Your branch has had \$300 coronets for the last 10 years, but they have now fallen apart. First, on the Regalia grid above, enter -\$300 in the Value Adjustment column to make the (End) Value equal to zero. Remember, amounts less than zero do not get added into the Value Adjustment total.

Then in the bottom grid, enter the *Item Description*, *Quantity* and *Year Acquired*. Enter the \$300 in column (A), nothing in column (B) since it wasn't depreciating, and the resulting *Value Lost* is \$300. Enter that on the **Income Statement** under *Released Equipment - Activity Related*.

EXCEL ONLY

For Regalia in the top section, if a value is entered under column (A), column (B) turns white and vice versa. There should never be a value for any item in both column (A) and (B).

J. (8) DEPRECIATION DETAIL

Depreciable equipment is purchased items where the price (including taxes, commissions, etc.) was \$500 or more per purchase (not per item). The limit applies to the original value of the items or group of identical items, such as two printers for \$500 together. Depreciation spreads the cost of a major purchase over either 5 or 7 years, depending on the type of equipment purchased, rather than expending it all in one year. For the SCA, items depreciated over 5 years are computers and other electronic equipment, and trailers. All other equipment is depreciated over 7 years. There are separate tables on this worksheet for these two types of depreciation. Once an asset has been classed as one life, do not change it later to the other life - continue to depreciate it over the original life it was determined to be. (If the group had a computer that was first depreciated using the 7-year depreciation, do not change it to 5-year depreciation when the error is discovered.)

Example: your branch purchased a \$500 copy machine. You will use this copy machine for several years. After two years, the copy machine is not worth as much as you paid for it. Instead of expensing the entire amount in the first year, you spread the expense over seven years to more accurately reflect the copy machine's period of usefulness. The accumulated depreciation reflects total depreciation expense taken over all the years you hold the asset. The difference between the original cost and the accumulated depreciation is an estimate of an item's current worth.

The Society follows methods of calculating depreciation established by the U.S. IRS, and has a lower value limit of \$500 per purchase (not per item). Use MACRS (Modified Accelerated Cost Recovery System). This method's percentages are also on this form.

The Large version of the report has an extra worksheet with more lines for more items.

1. Item Type

Fill in the Item Type column on the far left for each item. O&A stands for *Office & Administration*, AR means *Activity Related*, and FR means *Fund Raising*. Examples: A copy machine would be O&A; a pavilion would be AR. All seven-year life items should be *Activity Related*.

2. Item Description

List each item description.

3. Item Quantity

List each item's quantity.

4. Purchase Year and (A) Percent This Year from Grid Below

Enter the year the item was purchased in the next column. Enter under (A) % *This Year from Grid Below* the percentage underneath the year purchased.

5. Prior Cost or Value

Enter the value of the item present at the beginning of the report period. If this is a new item this reporting period, enter zero here.

6. (B) Current Cost or Value

Enter the current value of the item under (B) *Current Cost or Value*.

7. (C) (Start) Accumulated Depreciation

If this is the first year of ownership, the (C) (Start) Accumulated Depreciation will be zero. If not, enter the total depreciation recorded for that item from the previous year's report.

8. (D) Depreciation This Year

Calculate the depreciation on the Domesday Report (zero for the quarterly reports) by multiplying (B) *Initial Cost of all Items* by (A) *MACRS % This Year* to get the (D) *Depreciation This Period*. The total of this number gets entered under *Depreciation* on the **Income Statement**, under the column specified by the *Item Type* column.

9. (End) Accumulated Depreciation

Calculate the (End) *Accumulated Depreciation* by adding column (C) to column (D). Total the columns down and place the results where specified on the **Comparative Balance Statement**. Do not remove a fully depreciated asset from the worksheet until it is actually gone from your possession.

EXCEL ONLY

The only columns that are editable are the type, description, quantity, year purchased and current value. All other fields will be filled in using the year, quarter, and quarter type entered on the Constants page. In the 5-year box, the data won't be passed to the first two pages until the type column is populated.

For Sequential reports where there is a new item added during the year, there is another box to the left of the form which is used to show which quarter the item was purchased in. If this value should be entered, the corresponding cell on the item line will turn blue to show a value should be entered. Entering a quarter will make sure that the prior value is calculated correctly. Example: a pavilion is purchased during the second quarter. During the first quarter report, the prior value is zero. On the second quarter report (Sequential), the prior value should be the same as the current value.

K. (9) SCA FUNDS TRANSFERRED DETAIL - IN

When money is sent to another Society account, we count it separately. The Society as a whole did not gain or lose any money from this transaction; money was just moved between accounts.

At the Kingdom level, all the transfers between accounts within the Kingdom must be equal (same amount coming in as going out). Transfers from one Kingdom to another are treated separately. Once the report for all accounts in the Society is complete, the total of all transfers, both in and out, must be equal. If not, either the calculations are wrong, or we lost some money somewhere.

These entries are to be listed in detail on the **SCA Funds Transferred Detail** forms (both **IN** for the recipient and **OUT** for the sender) so that they can be checked on the reports of both accounts involved.

Until 2006, Kingdom Newsletters were considered Out-of-Kingdom transfers. After that, they are considered In-Kingdom transfers and will be matched up by the Kingdom Exchequer.

Fill in the name of the other Society account, the check number, the date sent, and the amount of the transfer. After all the transfers in have been placed on this form, add up the right columns and place them on the **Income Statement** as directed. If you receive a check that seems like it should have come from another SCA account, please check with the sending branch's exchequer to make sure whether it was really a transfer.

Please note that there is an overflow form to record additional transfers if this form does not have enough lines. The Large version of the report has two extra worksheets with more lines for more items.

1. Another SCA Account Within The Kingdom

This includes any branch within your Kingdom, your Kingdom Herald, your Kingdom Exchequer, your Kingdom Newsletter, and any other Kingdom Office. Enter the name of each branch or office, the date received, and the amount. Enter the total on the **Income Statement** under *Funds Transferred In from Another SCA Account - Within Kingdom*.

2. Outside the Kingdom

Transfers from one Kingdom to another are cross-referenced across the entire Society. Enter the name of the branch or office the money was received from, the date received, and the amount. Enter the total on the **Income Statement** under *Funds Transferred In from Another SCA Account - Outside Kingdom*.

L. (10) SCA FUNDS TRANSFERRED DETAIL - OUT

When money is sent to another Society account, we count it separately. The Society as a whole did not gain or lose any money from this transaction; money was just moved between accounts.

At the Kingdom level, all the transfers between accounts within the Kingdom must be equal (same amount coming in as going out). Transfers from one Kingdom to another are treated separately. Once the report for all accounts in the Society is complete, the total of all transfers, both in and out, must be equal. If not, either the calculations are wrong, or we lost some money somewhere.

These entries are to be listed in detail on the **SCA Funds Transferred Detail** forms (both **IN** for the recipient and **OUT** for the sender) so that they can be checked on the reports of both accounts involved.

Until 2006, Kingdom Newsletters were considered Out-of-Kingdom transfers. After that, they are considered In-Kingdom transfers and will be matched up by the Kingdom Exchequer.

Fill in the name of the other Society account, the check number, the date sent, and the amount of the transfer. If the transfer was done via personal check or credit card and was reimbursed, the check number should be 'reimbursement'. After all the transfers in have been placed on this form, add up the right columns and place them on the **Income Statement** as directed.

Please note that there is an overflow form to record additional transfers if this form does not have enough lines. The Large version of the report has two extra worksheets with more lines for more items.

1. Another SCA account within the Kingdom

This can be any branch within your Kingdom, your Kingdom Herald, your Kingdom Exchequer, your Kingdom Newsletter, and any other Kingdom Office. Enter the name of the branch or office, the check number, the date sent, and the amount. List the total on the **Income Statement**, *Funds Transferred Out to Another SCA Account - Within Kingdom*.

2. (A) The Corporate Office or Officer

Transfers to the Corporate Office (usually for SCA Insurance) or other officers are listed here. If it is a transfer to a specific corporate officer, enter the name, the check number, the date sent, and the amount. If it was a transfer to the Corporate Office, enter 'SCA, Inc.', the reason for the transfer (Insurance, Stock Clerk, etc.), the check number, the date sent, and the amount.

3. (B) Outside the Kingdom, Same Country

Transfers from one Kingdom to another are cross-referenced across the entire Society. Enter the name of the branch or office outside the Kingdom, the check number, the date sent, and the amount.

4. Total Transfers to Outside the Kingdom

Add the totals from (A) and (B), then list this amount on the **Income Statement**, *Funds Transferred Out to Another SCA Account - Outside Kingdom*.

M. (11a) INCOME DETAIL PART 1

Enter the information required, total the right columns, and enter the results as directed under each grid. If you have more information to record than will fit in the grids, use additional sheets or put the detail on the free-form page in the Excel Workbook.

1. (1a) Fund Raising Income (Internal)

This is income generated by performing non-medieval activities in return for money. Examples include bake sales, car washes, garage sales, auctions, raffles, etc. Internal means that the fund raising activity took place at an event where the main audience was the SCA. .

Enter the name of the donor (or the event if no individual donor is known), the reason for the donation, and the amount. Enter the total on the **Income Statement**.

2. (1b) Fund Raising Income (External)

This is income generated by performing non-medieval activities in return for money. Examples include bake sales, car washes, garage sales, etc. External means that the fund raising activity did not take place at an event or other SCA activity, so that the main audience is **not** the SCA.

Enter the name of the donor (or the event if no individual donor is known), the reason for the donation, and the amount. Enter the total on the **Income Statement**.

3. (2) Direct Contributions/Donations

Direct Contributions is a sort of catchall category for any kind of donations. They can be unsolicited donations, uncashed and stale checks, donated event refund checks, donations-in-kind and improvements to regalia. Add the totals of each of these lines together and enter the total on the **Income Statement**.

a. Donations received without Consideration

This is money given to us from other organizations in return for nothing, including any money received from grants. Example: Pass-the-hat at a meeting. Grocery stores who donate to us based on independent shoppers handing in coupons would be reported here.

b. Stale Checks

If you have a check in the same year that needs to be reversed, back out the amount from the expense category by entering a negative amount equal to the original expense. If you have a check from a prior year that needs to be reversed, enter the amount here. However, first make sure that the check recipient is not still waiting to be paid and the check got lost in the mail.

An example is an outstanding event refund check (more than 6 months old), where the recipient told the Exchequer to keep the money. Another example is a rental vendor who decided after we paid the bill to not deposit the check and write it off as a donation.

c. Recovered Bad Debt

If you receive payment for a debt that had been written off in the prior year (and is not currently a receivable), enter the amount here. This is considered a donation since we've already written off the debt.

An example is when someone bounces a check for an event site fee. 6 months later, the Financial Committee decides to write off the debt. The debtor later gives the branch a money order for the outstanding amount. The amount of the money order is recorded here.

d. Donations-In-Kind and Regalia Improvements

This is calculated on the **Regalia & Other Sales Detail** form under *Regalia & Non-Depreciated Equipment*. It is a kind of *Direct Contribution*, so it goes here instead on its own line on the **Income Statement**. Donations of Inventory have a zero value so they aren't reported.

4. (3a) Income from Demos and Activity Fees

Here would be any Activity Related income that isn't directly related to an event. Any medieval activity that results in income that is not an event would be reported here. Examples are: Heraldic submissions, including any monies collected for copying and postage. (Stamps or other supplies donated do not need to be reported.) Any fees that the SCA charges its participants, such as fees for some services like Authorization, and donations from the Boy Scouts after a demo at their Blue & Gold banquet, or from a school for performing a demo at their medieval fair.

Specifically excluded from this are surcharges for non-members at events - these get included in Event Income, described below.

N. (11b) INCOME DETAIL PART 2

Enter the information required, total the right columns, and enter the results as directed under each grid. If you have more information to record than will fit in the grids, use additional sheets or put the detail on the free-form page in the Excel Workbook.

1. (3b) Adjusted Gross Event Income

Events are activities for which the Society was created: research and education about the period prior to the year 1600 A.D. Examples are revels, feasts, tournaments, and collegiums. All income directly related to the participation in the event is placed here, such as site fees, feast fees and corporate surcharges.

Enter the names of the events in the left-most column. For each event, enter in column (A) the amount of income received from both advance registrations and the gate, such as site fees, feast fees, corporate surcharges class fees, childcare fees, and any other fees directly related to the event.

Enter the amount of refunds issued for that event in column (B). Refunds are subtracted here instead of under expenses because we didn't really receive that income permanently.

Calculate the *Adjusted Gross Income* by subtracting column (B) from column (A) for each row. Show the total on the **Income Statement**.

2. (7) Net Advertising Income

This is for any advertising income for either branch newsletters or event site publications. Enter the Event publication or Newsletter the advertising appeared in, the gross advertising income, the cost of producing the advertising and the net income.

Calculate the cost of producing the advertising.

a. Total publication cost

Calculate the cost of producing the entire publication or issue. This cost would include all printing costs, and any fees for markups or layout.

b. Percent advertising

Calculate the percentage of the event site publication or newsletter issue that was advertising rather than content. This can be done by counting pages of advertising vs. pages of content and dividing the advertising count by the total page count **including** covers.

If the percentage is more than 85%, round up to 100%. If the percentage is less than 15%, round down to zero.

c. Advertising cost

Multiply the percentage from b. above with the total publication cost to get the advertising cost.

If the percentage in step b. was not 100%, enter the total cost minus the advertising cost (the cost to produce the content) under *Printing & Publications* on the **Income Statement**.

3. (10) Other Income

This is for any income that doesn't fit anywhere else on the **Income Statement**. This income is itemized here in case the Kingdom Exchequer can place it somewhere more appropriate. Examples are: corrections to prior years that result in balance sheet changes and require a balancing entry on the income side of the **Income Statement**, income from rental of branch property such as a pavilion for a wedding.

Fill in the name of the person or organization from whom the money was received, the reason why it was received, and the amount. Enter the total on the **Income Statement**, *Other Income*.

Use this category only as a last resort - it is very rare that this entry should be used.

O. (12a) EXPENSE DETAIL PART 1

Enter the information required, total the right columns, and enter the results as directed under each grid. If you have more information to record than will fit in the grids, use additional sheets or put the detail on the free-form page in the Excel Workbook.

The second and third grids have a left-most column for specifying which category of expense this entry falls under - *Office & Administration*, *Activity Related*, or *Fund Raising* so that it can be placed properly on the **Income Statement**. Enter the information required, total the right columns, and enter the results as directed under each grid.

1. (12) Advertising

Advertising in local publications such as newspapers or magazines is reported here. Advertising in SCA publications such as Kingdom Newsletters is NOT reported here.

Fill in the expense category (*Office & Administration*, *Activity Related*, or *Fund Raising*), the name of the person or organization the money was paid to, the date the ad appeared, and the amount paid. Enter the total on the **Income Statement** under *Total Advertising*, and add each item amount to the appropriate column.

2. (13) Bad Debts

Bad Debts are expenses that have been determined by the Financial Committee to be unrecoverable. Until that decision is made, the item is a *Receivable*. See Chapter 11 regarding Recovering Bad Checks.

Fill in the expense category (*Office & Administration*, *Activity Related*, or *Fund Raising*), the first and last name of the person or organization the money was paid to, the reason why it was paid, and the amount. Enter the total on the **Income Statement** under *Total Bad Debts*, and add each item amount to the appropriate column.

3. (17) Fees & Honoraria

Fees and tips paid for services such as lifeguards or security guards, and honoraria paid to guest lecturers and teachers are itemized here. Fees and honoraria may only be paid to someone (regardless of whether they are a paid member of SCA) who gets paid to do the same lecture, class, or service for anyone else. Web hosting and other technical services also are reported in this category.

Fill in the expense category (*Office & Administration*, *Activity Related*, or *Fund Raising*), the name of the person or organization the money was paid to, the service provided, and the amount paid. Enter the total on the **Income Statement** under *Total Fees & Honoraria*, and add each item amount to the appropriate column.

EXCEL ONLY

Data in all three grids won't show up on the Income Statement until a category (the far left column) is selected.

P. (12b) EXPENSE DETAIL PART 2

Enter the information required, total the right columns, and enter the results as directed under each grid. If you have more information to record than will fit in the grids, use additional sheets or put the detail on the free-form page in the Excel Workbook.

1. (20) Insurance

This category is for the occasions where we pay for a rider to a site owner's insurance.

Insurance certificates obtained from the Corporate Office are reported under *Funds Transferred Out to Another SCA Account, to the Corporate Office or Officer* on the **SCA Funds Transferred Worksheet – Out** – even if someone paid for it him or herself and got reimbursed.

Fill in the name of the organization or person the money was paid to and the amount paid. Enter the total on the **Income Statement** under *Activity Related Insurance (Non-SCA)*.

2. (28) Other Expense

This is for any expense that doesn't fit anywhere else on the **Income Statement**. These expenses are itemized here in case the Kingdom Exchequer can place them somewhere more appropriate.

Fill in the reason why it was paid, the name of the person or organization the money was paid to, and the amount. Enter the total on the **Income Statement** under *Other Expenses*.

Use this category only as a last resort - it is very rare that this entry should be used.

3. (29) Donations to Other 501(c)(3) [Nonprofit] Organizations

Record any donations to approved nonprofit groups, such as church charities, schools, youth organizations, etc. Transfers to branches that are outside the U.S. are also recorded here. International branches need not worry about the 501(c)(3) designation or a Federal Tax ID number, although the organization should be recognized as a valid SCA branch.

To complete this box, list the organization's name, their Federal Tax ID number (if a U.S. organization), and the amount. Show the total on the **Income Statement**. Fees, paid to other organizations in return for meeting space, etc., are reported under *Occupancy*, not here.

Q. (13) FINANCIAL COMMITTEE MEMBERSHIP

The top section is a multiple-choice question. Choose one method of staffing your financial committee. If you choose the third option, then fill in the title, name, membership number and membership expiration date for each person.

EXCEL ONLY

Cells containing the membership expiration date will turn yellow if the expiration date is within two months after the ending date for the report, and will turn red if the expiration date is before the ending date for the report.

R. (14) DEDICATED FUND LIST

Use this form if you are doing Fund Accounting as described in Chapter 4. Otherwise, all your money is considered in the General Fund. This form is to show that the primary purpose of the funds is valid, and that the funds are being tracked to the total cash.

For each fund, list the fund's name, primary purpose and balance as of the end of the report. At the bottom of the form, the total should equal the total amount of cash and cash earning interest as listed on the **Comparative Balance Statement** lines *I.a Undeposited and Non-Interest Bearing Cash* and *I.b. Cash Earning Interest*. If not, there is something wrong with your current balances.

EXCEL ONLY

This form will expand if you type in more text than the purpose column can display. This will mean that the printed version of this form will take more than one page.

At the bottom of the form is the total of lines I.a and I.b from the Comparative Balance Statement. If the total of all the dedicated funds equals that amount, both totals will turn green.

S. (15) NEWSLETTER INCOME WORKSHEET

Income from all newsletters sold is listed here.

1. Gross Income

Enter the name of the newsletter in the top line. Enter the total gross income on the second line. If you don't use subscription sales, stop here. The income number will be listed unchanged on the **Income Statement** as the *Adjusted Gross Newsletter Income*.

If you sell subscriptions (issues in advance), fill out the rest of this form.

2. Adjusted Gross Income

In the top grid, in the left box, select the frequency of the newsletter – one of monthly, bimonthly even, bimonthly odd, quarterly, or irregular. Enter the Gross Income from above in box (A). Enter the *Starting Subscriptions Due* from the **Comparative Balance Statement** line II.a in box (B). Enter the total Balance of Subscriptions Due from the bottom grid in box (C). Calculate the *Adjusted Gross Newsletter Income* by adding column (A) to column (B) and subtracting column (C). List the total on the **Income Statement**.

3. Calculating Price per Issue

In the middle grid, we calculate price per issue. This grid is to account for changes in price per issue over time. For each price, enter the price for a subscription and how many issues per subscription to get a price per issue number.

4. Subscriptions Due

In the left column, enter the date or issue number of future issues.

In column (B), enter the number of subscriptions expiring that month or issue. Calculate the number of issues remaining in each subscription, either by the number of issues purchased and not yet delivered, or by the month and year that the subscription is scheduled to expire and how many issues are to be delivered between the time of the report and that date.

In column (C), enter the price for that issue as calculated in the middle grid. Then calculate the Balance of Subscriptions Due for each issue. Record the total of this column at the bottom of the page.

EXCEL ONLY

Once you select a Newsletter Frequency that is not blank or Irregular, the leftmost column on the bottom grid will be populated with dates. You can overwrite these dates. If you choose Irregular, you can still overwrite the column.

T. (16) COMMENTS

This form is free text for comments to the Exchequer receiving this report. Use this space for any questions or comments you have.

U. FREE FORM

In the Excel workbook versions, this is an unlocked page to put any detail from other pages, a ledger, event report information, or any other type of information you feel should be included in the report..

IV. NEGATIVE REPORT FORM

This form is used to show that the other forms do not need to be filled out because of special branch circumstances. Qualifying circumstances are: new branch and so no financial activity; subsidiary branch so the financial activity is already reported elsewhere; University or College branch where the institution controls and reports the funds so we do not; and dormant branch with nothing to report.

The appropriate section on this form gets filled out either by the Exchequer, or by the Seneschal if there is no Exchequer. The person filling it out signs and dates the bottom before sending it in to the Kingdom Exchequer or their designated representative.

1. New Official Branch (section A)

If you are reporting for a branch that has achieved full status during the reporting period, but has had no financial activity yet, fill in this section. This tells the Kingdom Exchequer that you have nothing to report without having to fill in all the zeros on the report.

2. Incipient Branch or Branch Funds Handled by Another Branch (section B)

If you are reporting for a branch that has its money being accounted for by another branch, fill in this section. This tells the Kingdom Exchequer that another Exchequer is already tracking your money, so you aren't reporting it twice.

3. University or College within the U.S. (section C)

If your branch has its only account at a College or University, using that College or University's Tax ID, fill in this report. We only report money that is being stored under the Society Tax ID. If your branch has one account with the College or University and another using the Society Tax ID, fill out the financial report for the activity that happened using the Society account. Any activity that happened using the University account does not get reported to the Society.

4. Dormant or Suspended Branch (section D)

A branch is considered dormant if there is no financial activity or assets, but it has not been officially dissolved by the Board of Directors. If your branch has any money or reportable assets, you do not qualify as dormant. If your branch is dormant, but is not brand new, fill out this section (if it is brand new, fill out section 1 on this form). This tells the Kingdom Exchequer that your branch is not functioning financially, but that there is someone there who they can contact if the branch comes out of dormancy.

If your branch is in suspension for any reason, all assets have to be moved to another branch for management. Once the assets have been moved, this section is used for reporting until the suspension is lifted and the assets are returned.

CHAPTER 8: ADMINISTRATIVE FORM INSTRUCTIONS

There are two other types of forms with a format required at the Society level. The first form is the Request for Warrant Form. This is how you ask for the job. The second form is the Review of Books Report. This form is used whenever the books are formally reviewed, as covered in Chapter 3.

The rest of the forms in section III and IV are available in a variety of formats specific to each Kingdom. There are several administrative forms, and some specialized ones for events. This chapter will cover the most basic information included on the forms regardless of format. Ask your Kingdom Exchequer for guidance on exact directions.

I. REQUEST FOR WARRANT

When you are appointed as Exchequer or requested to take the office by your branch or guild, you are only acting as the Exchequer. When the Kingdom Exchequer (or designated representative) issues you a warrant, you are no longer just acting. In order to issue a warrant, certain information must be presented to ensure that:

- You are who you say you are,
- You live at the address you include on your form,
- You are a national member of the SCA or an affiliated organization,
- You have reached the age of majority in your country of residence (if not and you are at least 15, your parent or legal guardian also signs this form), and
- The branch or guild involved knows that you are applying for the job and approves of you taking the office.

The Request for Warrant Form has places for:

- required contact information,
- some additional optional contact information,
- a place for you to sign indicating that you know the duties you will be expected to perform, and
- a place for either the Seneschal or the outgoing Exchequer to sign indicating that they know you are applying for a warrant and that they approve.

This may seem redundant or excessive, but it is necessary. The warranting officers (the Kingdom Exchequer and Crown in most cases) usually don't personally know the person applying for office. Since any holder of this office may jeopardize the status of the SCA, this additional documentation serves as proof that the applicant knew what duties would be required, and agreed to perform them while so warranted.

II. REVIEW OF BOOKS REPORT

This form is used to record the results of a meeting between a branch Exchequer and superior officer. A review of books takes place every two years, or during a change of officer, whichever is sooner. This process is only to check the status of an account, and will most likely not encounter any errors. It is designed to be a pleasant experience for all people involved, not just another chore or an 'audit' in the accounting sense of the word.

Fill in the name of the branch at the top. Mark the answer to each question in the box on the form. Use the back or additional sheets to attach descriptions. Usually, any NO answer will require attachment of a description of the situation.

The Reviewing Officer and the Branch Exchequer should then sign this form. Make a copy for both of you to keep in your files.

III. ADMINISTRATIVE FORMS

Each kingdom has its own set of administrative forms. Contact your Kingdom Exchequer for those forms and instructions on how to use and submit them.

A. ACKNOWLEDGEMENT OF DONATION & RECEIPT

When we receive a donation of either cash or items, we should acknowledge the donation in writing. All forms have a place to fill in the name of the branch and the date of the donation at the top of the form. Fill in the Donor's information. Describe any items in detail, including condition and state of cleanliness. Enter the amount of cash received. If the donor provides a value for any items, enter it here also. If there were any benefits received in consideration for this donation, enter the value here. The value of the benefit is what we would charge someone for the same benefit (such as the price of a feast ticket for an auction to sit at head table). Then the Seneschal fills out the rest and signs it. Make a copy for your files, and give the original to the donor for their taxes.

Required information on receipts include: date; who got the donation; who gave the donation; if the donation was cash, the amount; if the donation was an item, a description (value is not required); any benefits received in return for the donation; and the name, address, and signature of the person who made out the receipt.

The donor is responsible for providing the value for any non-cash donations. We are responsible for providing the value of any benefits received in consideration for this donation. For example, if someone donates \$50 in an auction to sit at head table, the feast ticket fee (\$10) is the amount of the benefit received, so the actual contribution is \$40.

Donation receipts are provided for federal tax purposes only. State regulations on charitable contributions may vary.

B. TRANSFER TO ANOTHER SCA ACCOUNT FORM

Sending some sort of letter with a transfer check is a way to help both Exchequers involved in a transfer to correctly record the transaction. If this is a transfer of a Corporate Non-Member Surcharge, use the **Non-Member Surcharge Submission Form** described under Suggested Event Forms below instead. Remember that moving funds between SCA accounts that are in different countries are not treated as transfers – they are treated as *Donations* both going out and coming back in.

Most forms have places where the Exchequer can fill out the top of the form with the name of the account, and the name of the recipient's account. Mark whether the destination is an account in your Kingdom, a Kingdom Newsletter, or any other account (outside your Kingdom). If you checked Transfer In-Kingdom, then the recipient should also record it as Received from In-Kingdom. If you checked Transfer to Kingdom Newsletter or Transfer to Outside My Kingdom, they should record it as Received from Outside My Kingdom.

Make a copy for your file and the Kingdom Exchequer (who needs this to cross-reference transfers on the Domesday Report), and send to the appropriate destinations.

If you are receiving the form, record the transfer as specified on the form (unless it is wrong and you need to correct it, in which case, please notify the sender so they can correct their end, too).

IV. SUGGESTED EVENT FORMS

Event financing is covered in detail in Chapter 9. Each Kingdom has standard forms for event reporting. Contact your Kingdom Exchequer for information about the forms for your kingdom.

A. EVENT BUDGET WORKSHEET

This type of form is intended to help calculate a budget for an event. While there is no specific Society-level form, most of the forms have the same basic information – predicted Income and Expenses for a specific event. Fill in the name of the branch and the event name and date at the top.

1. INCOME

Estimate how many attendees there will be at this event paying for each activity. There should be space provided for fee differences for both adult and child, and advance and at-the-door. If you want to make this really simple, assume everyone is an adult and pays at the door. Otherwise, you may split out your attendance based on past trends of reservations.

Attendance can be affected by the weather expected for the season, and whether the Royalty will attend. Enter the expected attendance for each activity in column A for advance reservations, and column B for pay-at-the-door attendees. If there are other activities for which you will be charging, enter them in the blank lines provided under Fee Type.

You can now estimate the fees, although you should write in pencil because after you enter the expenses, you may need to change the estimated fees. Enter the amount you intend to charge per person for each activity, using a column for advance registrations, and another column for at-the-door attendees.

Now, calculate the Estimated Income for each activity by multiplying number of expected attendees by the appropriate rates. Total these figures down to get the Total Estimated Income for the event.

2. EXPENSES

Enter the estimated expenses for the event. There are usually three columns provided if you wish to split the expenses by Site, Feast, and Other, or use some other convenient breakdown. Itemize on the back any *Fees & Honoraria*, *Other Expenses*, *Donations to Other 501(c)(3) Organizations*, and *Moved to Another SCA Account*. Add each line across to get the *TOTAL* column. Then, enter the total down under *Total ESTIMATED Expenses*.

Multiply the estimated expenses by 1.1 to increase them by 10% to allow a 'fudge factor' in case of emergency. Enter this amount under *Adjusted Expenses*. Then subtract that number from the *Total Estimated Income* to find the *Estimated Profit*. If the profit is too small (or negative), adjust the fees charged or the expenses and recalculate until a satisfactory profit is estimated.

The Financial Committee can now approve this completed form when deciding to put on an event.

B. EVENT REPORT FORM

This type of form is intended to help calculate the profit received from an event. While there is no specific Society-level form, most of the forms have the same basic information – predicted Income and Expenses for a specific event. Fill in the name of the branch and the event name and date at the top.

1. INCOME

Enter how many attendees there were at this event paying for each activity. There is usually space provided for fee differences for both adult and child, and advance and at-the-door. Use the results from your advance reservation coordinator and the gate.

Enter the attendance for each activity in one column for advance reservations, and another column for pay-at-the-door attendees. If there are other activities for which you charged, enter them as well.

Enter the amount you charged per person for each activity, using different columns for advance registrations and at-the-door attendees.

Now, calculate the Actual Income for each activity by multiplying advance attendees by advance rates, and at-the-door attendees by at-the-door rates. Do the same for any other fees. Add these results together and place in the far right column. Total these figures down to get the Total Actual Income for the event.

If there is other income unrelated to the event attendance (auction proceeds, inventory sales, advertising income, etc.), track those separately as Fund raising or donations.

2. EXPENSES

Enter the expenses incurred by the event. There are usually three columns provided if you wish to split the expenses by Site, Feast, and Other, or use some other convenient breakdown. Itemize on the back any *Fees & Honoraria*, *Other Expenses*, *Donations to Other 501(c)(3) Organizations*, and *Funds Moved to Another SCA Account*. Add each line across to get the *TOTAL* column, and then enter the total down under *Total Expenses*.

Subtract that number from the *Total Actual Income* to find the *Net Profit*.

Mail this completed form as specified by your Kingdom Financial Policy. Make sure you keep a copy for your files. It is recommended that this report also get distributed to the branch, either displayed or read in a meeting, or published in the branch newsletter.

C. NON-MEMBER SURCHARGE SUBMISSION FORM

Each Kingdom has a specific form to use within that Kingdom. This form is to be sent with any Non-Member Surcharges required by the Corporation to be collected at events. The rules regarding the collection of the Non-Member Surcharge are available from your superior officer. They can tell you how much to collect for each non-member attendee at an event, what situations require collection, and any exclusions to collecting the surcharge, such as for discounted children or events without a site fee. The superior officer will also know the current procedure for sending it in.

CHAPTER 9: EVENT FINANCES

Holding events is one of the most widely used ways of proving our interest in the Middle Ages; this is where we display what we have learned to others. We hold tournaments to display our knowledge of combat in the Middle Ages. We hold Arts & Sciences exhibitions, classes, and competitions to show what we have learned of aspects of life in the Middle Ages. We hold feasts to display what we have learned of food and drink in the Middle Ages. Every branch takes turns doing the work of finding a place to gather, setting up and coordinating the activities, cooking the feast, and cleaning up afterwards.

To the modern world, events are all-day or weekend conferences with meals prepared and served on site. In the modern world, attendees are charged admission to these sorts of gatherings, and we are no different. Hosting events costs money, so we usually charge admission. For this reason, the Exchequer should be an integral part of the planning process.

The basic premise behind event financing is that expected income should cover expected expenses. No one wants to lose money on an event unless they are being generous. Regardless, efforts should be made to accurately estimate income and expenses. It is a good idea to overestimate expenses by about 10% to allow for unexpected situations.

Events are allowed to turn a profit. We definitely don't want to lose money when it could have been prevented. If the event is to be a fund-raiser (you budget to make some amount of profit as money for some project), please advertise that fact. Letting people know beforehand will probably increase attendance among those who use cost as a criteria for event attendance, and decrease possible bad feelings afterwards. There is a very fine line between overcharging and underestimating attendance; one generates feelings of being used, and the other generates thoughts of bad planning. They are both something to avoid, and can be corrected when planning the next event. In general, planning to break even is the safest path. Learn from each year's event to better estimate the break-even point.

Here are some guidelines to use when planning an event. They are only guidelines, and local custom and/or Kingdom Policy may dictate that a branch use other methods.

I. BUDGETS

A budget is a list of expected sources of income and expenses. Expected income is based on estimated attendance paying at a certain price (for example, 300 people at \$3.00 each). Expected expenses are based on what activities will require supplies (for example, site rental at \$1000, feast food at \$600, tournament at \$80 for list poles, stands, and prizes).

An event budget should be submitted in writing to the branch Financial Committee prior to setting event attendance fees, within a time period recommended by the Financial Committee. A copy should be given to the Exchequer for his or her reference when reimbursing receipts. This budget should include estimates for income and for expenses by category based upon expected attendance, rates charged, and any free admissions. Some kingdoms have required forms. If not, use what works for you and your branch.

Some sites may be small enough that expected attendance would exceed the maximum site capacity. While this is nice for budgeting because you expect to sell out, it isn't nice for the potential attendees who get turned away. Make sure that if your event has an attendance cap because of the site restrictions, that this is thoroughly advertised, and that the reservation method is fair to everyone. Don't assume everyone has access to the Internet and email - those without will not have an equal chance to make a reservation due to both the time lag of the Kingdom newsletter and the postal service. One way to avoid this is to advertise in the kingdom newsletter several months in advance of the event, with a starting date when reservations will be taken by regular mail (reservations received before that date should be returned to be fair). Everyone will have a chance to mail his or her check to the reservationist so that it arrives on or after the due date.

A. Income Categories

Income categories include site fees, feast fees, camping fees, etc. Consider family rates, children's rates, kitchen worker/server rates, and free or reduced admission for Royalty as per local custom. Also consider timed rates (one rate until some date about a month from the event, another rate afterwards and another at the door).

A site fee for the day is standard, as well as a feast ticket charge, if a feast is offered. Special fees might include off-board feast (limited service), overnight lodging, camping fees, etc.

All of these are reported under *Adjusted Gross Event Related Income* on the **Income Worksheet**.

Don't include expected Corporate Surcharge, as you won't be using it to pay for the event. Also don't include estimates for any Fund raising income, as that is unrelated to the event funding.

B. Expense Categories

Valid expense categories are: Food (food and beverages), Printing (photocopies of maps, schedules, flyers, etc.) and Postage (flyers), Occupancy (site rental), Supplies (site tokens, equipment rental, sports drinks, rope, tape, signs, cleaning and bathroom supplies, and prizes), Equipment Rental (portable toilets, grills, etc.). All of these categories are reported under the Events column on the **Income Statement**.

Transfers to the kingdom newsletters for advertising are reported under Transfers. Transfers to the Kingdom account for profit sharing or event Fund raising activities are reported under Transfers within Kingdom.

Prizes worth more than \$300 or \$50 in cash distributed at an event in the U.S require a special form to be filled out called the IRS 1099 form. The Treasurer issues this form in the name of the SCA Contact that officer for more instructions.

Sometimes, food like bread, piecrusts, etc. can be made in advance to save money. Other time-consuming tasks can be done in advance; such as peeling garlic bulbs rather than buying chopped garlic. These things cost more to buy pre-processed than unprocessed (not to mention it's a great excuse for a party).

Purchases of alcoholic beverages for serving are prohibited. Alcohol in small quantities for cooking is acceptable, as long as the site permits it. (CP VIII)

Don't forget to allow extra money in the budget for unexpected charges, such as hay for a mired campsite, or extra portable toilets if attendance is larger than expected.

C. Segregation of Budget By Activity

Theoretically, each activity should pay for itself.

- The feast fees should cover the cost of the food, beverages, rental equipment, feast tokens, kitchen cleaning equipment and supplies, etc. used to provide the feast. If servers or kitchen help eat free, the paying attendees must cover their costs.
- Class fees should cover the expenses of any supplies or rental equipment incurred by the class apart from the general site costs, such as craft supplies, or honoraria for a guest speaker.
- Childcare fees should cover the cost of any professional childcare workers, snacks, equipment/video rental, and any supplies used.
- The site fee should pay for the site tokens, camping fees, hall rental, hall cleaning equipment and supplies, general activity supplies, prizes, and anything else not covered by another fee.

D. Pricing

Fees for participation are calculated before the event to cover all the expenses that will be incurred holding the event. The break-even point is the point at which all the people in attendance paying to attend have paid for all the expenses incurred in putting on the event. This is calculated separately for each activity that requires a fee. Once attendance has reached the break-even point, any further income should be profit, as long as the expenses haven't gone over-budget too.

The fee schedule should be kept as simple as possible, and rounded to the nearest dollar. This will result in less work for the Gate staff and resolution of the cash box will be easier. Consider:

- Family rates, price limit or cap (one or two adults and any number of minor children would be considered a family),
- Children's rates,
- Kitchen worker/server rates, and
- Free or reduced admission for Royalty or Kingdom Officers as per local custom.

If you decide that special rates are appropriate for your event, make sure they are clearly stated and justified (i.e., not just the Autocrat's extended household). Reduced rate or free admittance should only be done in return for some service you are expecting, like Court and higher attendance for the Royalty, or work from servers or overnight gate constables.

Consider timed rates to encourage advance registration (one dollar off until a month from the event date, and the full rate afterwards).

The easy way to determine your participation fees is to estimate your expenses, and divide by the minimum expected paid attendance at the activity. This tells you what each paying attendee's share of the expenses is, and you can then set your fees based on this information. This also makes your minimum expected attendance the break-even point. There should be a really good chance that at least the minimum expected attendance should be satisfied, if not more.

Feasts are special in that there are usually several meals given free (such as head table). Count the available seats to be sold when counting attendance, but count all meals to be prepared when figuring expenses. This way, a small part of the price of each sold feast ticket pays for a small part of one of the free meals.

When considering children's fees, remember that a few children will not make much difference to event site fee income, although they might make a difference for a feast (by taking up a possibly full paid seat, not in how much they may eat).

Consider charging nothing for children under a certain age. This helps simplify the fee schedule and encourages families to attend. It is allowable to charge a special fee for a special children's feast (such as children's meals from a local fast food restaurant or simple hotdogs and Mac-n-cheese) that they are more likely to eat than the sometimes exotic feast fare. This also encourages family attendance.

Here are the steps used to calculate participation fees for each activity.

1. Pick a reasonable minimum paying attendance figure for each activity.

Talk to people in other branches, and ask for information if you don't feel confident making an estimate. Remember that Royalty attending will always attract more people, and Peerage meetings (if they happen at events) even more. Royalty attending other events the same weekend or other special purpose events the same weekend will lower your attendance. Reasonable attendance at a feast does not necessarily mean all available seats - don't assume

you will sell out unless you have done so repeatedly in the past. Planning to sell 75 to 80 percent of the available seats is usually a good margin.

If you set your attendance estimate too high, the prices are correspondingly lower, and you may find yourself with either unexpectedly large attendance due to the low price, or low attendance for some other reason (weather, etc.) so you end up losing money.

If you set your attendance estimate too low, the prices are correspondingly higher per person; you may find yourself just barely breaking even because of the high price, or with tons of profit, but next year you may have your attendance drop because the attendees this year didn't feel they got their money's worth.

As an example, say that your event will have 100 people attend as a rule, based on previous events of that theme held by your branch over the last few years. To make things simple, there will be no feast or other charges above the site fee.

2. Estimate your total expenses for each activity.

Figure out an approximate cost for site rental, supplies, food, rental equipment, insurance, and any other expenses that the event might require. In this example, the total expenses for the site are estimated to be \$500.

3. Fudge Factor

Add at least 10% to the estimated expenses for each activity to allow for unexpected expenses. Then round up to the nearest dollar. In the example, the total for this step is \$550 (\$500 x 1.1).

4. Divide the total estimated expenses for each activity by your estimated paid attendance at that activity.

This gives you the estimated cost per paid person for each activity. In the example, this gives \$5.50 per person site fee for this event (\$550/100).

5. Round Up

Round the estimated cost per paid person for each activity up to the nearest dollar or half dollar to simplify payment and accounting at the gate. In this example, we'll use \$6.00 as the site fee.

6. Reality Check

Make sure the price for each activity seems reasonable, and comparable with other events of that size.

Would you pay it? Do your branch members consider it a good deal? Is the price comparable to what other events are charging? Calculate costs for a 'family of four' and see if it is still a good deal. It's a fine line, and may take some practice. In our example, a 'family of four' would be charged \$24.00.

If it turns out that the estimated price seems too high, revisit steps 1 and 2. Revise your estimated attendance numbers and possibly reduce your expenses. Then follow the rest of the steps 3 through 6 until you are satisfied that the numbers are realistic and the price is acceptable.

7. Calculate Estimated Break Even Point

Your estimated break-even point is the count of attendees who will have paid for all the estimated event expenses. Everyone else who attends after that point represents profit. This figure gives the event staff something easy to watch for during the event to see whether they will make a profit.

To calculate this, divide your estimated total expenses for each part of the event by the price you will charge. The result (rounded up) is the total number of attendees necessary to pay for that activity at that event. In our example, our break-even point is $\$550/\$6.00 = 91.6$ or 92. 92 attendees is our break-even point. As a contrast, the break-even point if the site fee was left at \$5.50 is 100. It may wind up that the event makes more or less money depending on actual expenses, and that's okay. This is a ballpark estimate for during the event until the final accounting is done.

II. EVENT ADVERTISING

Most events are advertised in the Kingdom Newsletters. Most Kingdom Newsletters allow one one-half page advertisement per event for free. If your event is a Kingdom-level event, you will probably want to use at least one full-page advertisement. This isn't an advertising expense as the IRS sees it; this is a transfer.

If your event is open to the public, or will have a portion of it open to the public during a set time, consider advertising in the local newspapers. Any fees paid for this would be listed as *Advertising*.

If you want to have a site flyer that contains advertising, it would be considered a special edition of a newsletter. See Chapter 10 for how to put together a site flyer.

III. VENDORS

When dealing with vendors (site owners, rental store clerks, grocery clerks, etc.), be polite and professional. We want to leave a favorable impression, so that next time we have to deal with them, they will be happy to help us.

A. Before The Event

Wear modern clothes when meeting with possible vendors. If your branch has business cards, bring some along for distribution. We want to give the impression that we are stable, rational people who will treat their site or equipment as well or better than they do.

Make sure that if they need documentation about the Tax ID, they get it. Having it ready the first time you meet with them would be a good idea. Allowing us to use the Tax ID means more paperwork for them, so the easier we make it on them, the more willing they will be to work with us and the Tax ID.

If you can, check out the contract before the Seneschal signs it. Make sure that the financial payment information is correct. If you don't see it before it's signed, ask for a copy so you know the financial obligation information.

Some sites may require a special insurance form that names them specifically. This is available from the Corporation. Make sure that you find out as soon as possible whether you will need this form to give adequate time for the form to be drawn up and sent to you. This transaction is recorded as a 'Transfer out of Kingdom or to Corporate Office' on the reports.

When you check out the site or equipment, make sure that everything is in proper order and that equipment works, etc. Take pictures or video of the site or major equipment before and after the event. The photos can be used later in future event bids if everything goes well.

If the vendor will bill you after the event, find out when to expect the invoice and verify where the invoice will be sent. Get a contact name and number to call if you don't receive the invoice within 30 days of the event. Do a pre-event walk through of the site with the site owner, noting any problems or broken items on a sheet of paper. Have the site owner initial the list. This will help prevent any disputes over whether a piece of equipment was broken before you used the site. Schedule another walk-through of the site with the owner as soon as possible after the event, preferably before it is rented to some other group.

B. Dealing With Vendor Cancellations before the Event

If a vendor decides to break their contract before the event (due to act of God or overbooking, etc.), insist on getting your entire site deposit back, immediately if possible. Ask if they know of any other sites that may be able to accommodate your needs, and contacts for those sites if known. Depending on how long until the event is to occur, you may be able to find another site or vendor to accommodate you. If you haven't found one or the cancellation happens less than two weeks before the scheduled event, your Financial Committee should meet and discuss deciding to cancel the event and cut your losses.

You could ask the vendor breaking the contract to cover the costs of re-advertising your event if you find another site to accommodate you, but don't be surprised if you don't get it. Sometimes, you may, but you won't if you don't ask (politely).

C. After The Event

Make sure that the site or equipment's condition is acceptable to the owner when you return it to them. Since most owners require a damage deposit, you want to make sure you get it all back. It is in our best interest and has been Society tradition to leave things better than we found them. This makes the site owner eager to rent to you next time.

If you have expenses that are paid after the event is finished, make sure you get the invoice within a month of the event date. If you don't receive an invoice within that time, contact the vendor to ask them to resend the invoice. Keep track of your contacts with that vendor in case you need to remind them you did try to resolve your debt.

D. Dealing With Problems at the Event

In a conflict with a vendor at an event, the Event Steward should notify the Seneschal and the Exchequer. Every attempt should be made to correct the problem as soon as possible after the problem is noticed. If it is unable to be resolved at the event, a written report of the problem should be sent to the Kingdom Seneschal, and a copy should remain attached to the event report.

E. Dealing With Problems after the Event

If there was a problem after the event is over, the Event Steward should find out specifically what the problem was from the owner, and ask to be notified in writing. If they refuse to put it in writing, then consider the matter dropped.

If it was in fact the Society's fault, apologize in writing and make right what was wrong, either by fixing the problem or paying for the damages. If the damages were significant, contact the Corporate Office for guidance. If it was not the Society's fault and you have documentation (the pictures of the site before and after the day of the event), write a calm, professional letter and include copies of your proof. If the situation is still not acceptable to the owner, try to release the Society from a relationship with that vendor. Your Kingdom Seneschal, Kingdom Exchequer and/or the Corporate Office can provide guidance on this.

F. After The Fact Donations

If you find yourself with a payable because a vendor has not billed you yet, and it has been over a year, then remove the payable, list the amount as a direct contribution, and write them a letter thanking them for the donation. Make sure you mention that you have been trying to resolve this for past year with no success, and this is what you are assuming they want done.

IV. MERCHANTS

When dealing with merchants, remember that they are, in some cases, trying to make a living. However, we are not obligated to help them do this, other than allow them to have a place to work if the site and event theme allows. Merchants sometimes add ambiance and attract attendees – and some events can have the merchants as the main attraction.

A. Deciding to Have Merchants

First, see if the site has space for merchants in addition to other activities that may be scheduled. They will need at least 10'x10' per merchant to set up their wares, and some will take up more space than that. If you are having the merchant space indoors, make sure that you aren't setting them up so that they will either be blocking traffic flow, or be so out of the way that they get no traffic.

You may decide that only certain merchants may sell – but you must make the rules known in advance, and make them generic. Examples are: only merchants with period pavilions, only merchants selling music, only merchants selling period items (no bumper stickers/t-shirt only merchants). If you make the criteria subjective, use a team to evaluate the merchant applications so that it appears to be an objective evaluation. Merchants who are not allowed to sell for what they see are unfair evaluations or criteria will complain and having a team involved will mean that they can't blame their ability to sell on only one person.

B. Dealing with Merchants

You may or may not charge merchants for space at your event. If the room where the merchants will be costs extra, you could split the cost of the room among the number of merchants that could set up in that room and set that as your merchant fee. Treat the reservation of merchant space just as you would any other reservation, such as for a feast.

It is highly encouraged that there be some sort of agreement signed by both the branch (Seneschal's responsibility) and the merchant regarding any fees for appearance, and refunds or forfeiture of those fees should the merchant not appear. A contract will protect both you and the merchant, and several branches already have them in effect. You can find them by asking the Seneschals or asking the autocrats of large events that consistently feature large numbers of merchants.

C. Legal Obligations

Some states or other jurisdictions have rules regarding transient vendors (which is what most merchants are classified as). As host, sometimes the branch has an obligation to ensure that the merchants file their paperwork properly with the appropriate jurisdiction for any event they hold. Check your local laws to see what, if any, responsibilities the branch would assume by allowing merchants at that event before you decide to allow merchants. It is also possible that your state or municipality may change the rules regarding transient vendors, so it is recommended that the rules be checked at least once per year to make sure that nothing has changed. Your kingdom exchequer should have information on this.

V. CONTROLS OF CASH

The gate at SCA events is to be controlled by the SCA branch hosting the event. If the site owner wants to have additional oversight, that can be negotiated, but final control of all entrance fees must always rest with the SCA. The only exception is Pennsic, where the site owner's bonded employees manage the cash and the SCA manages everything else.

A. Gate Cash Income Management

One individual should be designated to be responsible for custody of gate funds at the event, and if the individual is not the Exchequer, see to it that this money is turned over to the Exchequer for reconciliation and deposit. This person may have deputies or helpers; however, the person in charge is ultimately responsible. Any person responsible for custody of SCA funds, either in advance or at the gate, must be an SCA member. (SFP XII)

1. Advance Registration

All cash or equivalents (i.e., checks) received prior to an event should be deposited within 7 days but no longer than 14 days of receipt, or forwarded to the Exchequer for deposit within a week to allow the Exchequer time to get to the bank within 14 days of when the funds were received by the reservation officer. Some Kingdoms may have shorter timeframes.

It is advisable to deposit checks immediately for two reasons: one, some people don't practice good bookkeeping, so the sooner you deposit the check after it is written, the better the chance that there are still funds there to cover it; and two, if the check bounces, it may bounce before the event and you may be able to resolve the matter in person at the event.

It is not acceptable for the reservation person to hold on to all checks until the event so that if a refund is requested the check can be returned.

When depositing the checks, make a list of the checks by legal name on the check, amount, and check number to allow for later cross-referencing if there is a problem or a refund is requested. If possible, include on the list the address or phone number on the check so that the person can be contacted in case the event is cancelled. The person

responsible for advance reservation administration must keep detailed records of advanced funds received and bring these records to the event. It is a good practice for the gate reservation person to make copies of all checks received.

If your Kingdom has set up a relationship with the Ansteorran Credit Card Electronic Payment System (ACCEPS), you may have advance registrations taken over the web by this service. The branch will work with them to set up a web page where people can go to register for your event using their credit card (there is a small fee for this service). ACCEPS will send your branch a transfer check 10 days before the event along with a list of all registrations that they have processed which can be used at the Gate for check in.

It is **never** allowable to use other services such as PayPal to take advance event registrations. (SFP XIII.B) PayPal and other institutions do not have adequate safeguards on the accounts for our purposes, and most treat any accounts as their own rather than someone else's account.

2. Gate Setup

The day before the event, have someone take out a funds advance for a small amount of cash that they can convert into cash for the change fund. **NEVER WRITE A CHECK OUT TO CASH.** (SFP XI)

\$50-\$100 in \$5s and \$1s should be sufficient change to start. Get a roll of quarters if your prices are not rounded to the nearest dollar. Don't wait until the last minute to get the change for the cash box - it will make your gate table that much harder to start up the day of the event. Also don't get it more than a day in advance so that there's little chance of it going missing.

It is **not** an acceptable practice to 'borrow' starter cash from a person, and refund that cash later in the day. It is acceptable to write someone a check in return for the same amount in cash - but don't mark that check as an expense of any kind because it's an advance. Make sure that the cash appears at the gate during setup (i.e., have the person with the check cash it on the way to the event).

If the day of the event is the first of the month, the change fund cash on hand is reported on the bank reconciliation form on the bottom line.

3. Gate Operation

The goal is to get people signed in (waivers and membership card checks) and paid for as quickly as possible so that they can enjoy the event. It is highly discouraged to have more than just the sign-in and payment process at the gate.

Jars for donations, raffle or auction signups, feast seating charts, and activity signups that do not require a separate payment all **will** disrupt the efficient operation of the gate, because of questions or people taking time to think about whether they want to participate in any of those other things. Have signups for those other things at a different table out of the way of getting people signed in as quickly and efficiently as possible.

4. Running the Gate Table at Ordinary Events

It is highly recommended that one person be responsible for the Gate Table. However, that does not mean that one person should run the Gate Table alone. More than one person should be present during on-site event registration whenever funds are being collected. This is not only so that one person doesn't get stuck with Gate Duty for the entire event, but also that having more people who know what's going on at gate makes it easier to take breaks and resolve conflicts. Don't go overboard, though. No more than four people should be involved in the gate at any one ordinary weekend event, unless it is a very large event or continues over several days. In that case, see 4. below.

Minors under age 15 may not be responsible for the Gate Table at an event. (SFP XII.C) They can assist, but they cannot be in charge.

No expense receipts should ever be reimbursed from the cash box at events (SFP XI).

Here are some recommended procedures for running gate at ordinary events.

a. Schedule of Fees

Make sure that there is a clear list of fees to be charged, including NMS. This will help reduce time to calculate fees for each person, as well as reduce mistakes. An example of a list of fees would be:

Adult Member site only: \$5	Adult Member site + feast: \$15
Adult Non-Member site only: \$8	Adult Non-Member Site + feast: \$18

b. Special Rates

Have a list of who is exempt from gate fees or has a reduced rate (such as a server). Check them off as they arrive (but they still **must** go through the waiver process).

c. Staffing the Gate

Each person working at the gate must:

- i. Be a paid member in good standing of the SCA.
- ii. Be acceptable to the group exchequer and the group seneschal.
- iii. Understand your branch cash handling procedures and waiver policy.

The Exchequer needs to train the gate staff on proper cash handling procedures and provide the proper forms to use when running the gate. It is recommended that pictures of the persons authorized to handle the cash box be posted inside the cash box for easy reference. There also needs to be an established escalation plan in case there are

questions or objections to any part of the gate sign-in process. One plan could be that any questions or issues regarding payments are escalated to the Exchequer, and any questions or issues regarding waivers is escalated to the Seneschal.

d. Receipts

An individual's cancelled check shall serve as the receipt for all attendance fees paid at the gate by that individual.

Receipts shall be issued for cash received at the gate if requested by the attendee, including Non-Member Surcharge funds. Have a duplicate receipt book present at the table for this purpose.

No expense receipts should ever be reimbursed from the cash box at events (SFP XI).

e. No Non-Gate Activities at the Gate

It is highly recommended that Fund raising activity or any other monetary activities are set up in a different place from the Gate. Any other business will most likely slow up the gate, leading to unhappy attendees.

f. Cash Box Counts

The gate cash box should be counted and verified at the beginning of the event, at the beginning and end of each day, and at random intervals while troll is open. These intervals should not exceed 5 hours in duration.

The gate cash box shall be counted and verified by the following officers: the Event Autocrat, the branch Seneschal, and the branch Exchequer. Any two of these officers may select a representative to serve in this capacity on their behalf should they not be available at the appointed time to perform this duty. Representatives of these officers must be acceptable to all three officers.

g. Cash Box Extracts during the Event

After the gate cash box has been counted and verified, all checks and cash shall be removed for deposit, minus the starting gate funds. The starting gate funds for the cash box shall remain in the cash box until the gate closes. It is recommended that pictures of the persons authorized to count and verify gate receipts be posted inside the cash box for easy reference by the gate staff.

All cash and checks for deposit should be sealed in a secure envelope with the following written on the outside of the envelope: Amount of cash and denominations, amount of checks, date and time of verification, and signatures of all three officers (or their representatives) verifying the amount.

Envelopes containing gate funds shall be secured in a locked vehicle, out of public view. Two of the officers (or their representatives) verifying the deposit should convey the envelope to its destination.

If the gate funds are to be taken directly to the bank for deposit during the Event, two individuals should accompany the money to the bank to ensure the safety of the individuals conveying the funds.

No expense receipts should ever be reimbursed from the cash box at events (SFP XI).

h. Cash Box Final Accounting

At the close of the event, two or more individuals shall reconcile the attendance list to funds collected, and account for gross event income. This should be performed by both the individual responsible for custody of funds and by the Exchequer (or designated representative).

All cash and checks for deposit will be sealed in a secure container (sealed envelope or locking pouch) with the following written on the outside of the envelope: Amount of cash, amount of checks, date and time of verification, and signatures of all three officers (or their representatives) verifying the amount.

All Event funds are to be turned over to the branch Exchequer or other designated member of the branch Financial Committee at the close of the Event.

All Event funds should be deposited within 7 days but no longer than 14 days following the close of the Event. Some Kingdoms may have shorter timeframes in their Kingdom Financial Policy.

i. Gate Staff Evaluation after the Event

All individuals who have served as Gate staff correctly should be commended publicly. The Exchequer can maintain a list of individuals who are acceptable to serve as Gate staff at future events.

If an individual exhibits bad judgment or fails to follow laws and policies in relation to the handling of branch funds, a reasonable attempt should be made to educate the person in the correct behavior/policy and to explain the possible consequences of financial impropriety that may affect the person, the branch, and the SCA.

In the event of an individual exhibiting bad judgment on two or more occasions in relation to the handling of branch funds, the branch Seneschal and branch Exchequer will consult their respective Kingdom-level Officers for recommendations on what actions are to be taken.

5. Running the Gate Table at Multi-Day or Very Large Events

These events require extra precautions and care due to the large sums of money and the work involved to fully staff a large gate table. All of the above instructions apply here as well.

a. Schedule

For everyone's peace of mind, have a regimented schedule of people scheduled to work and when. Make sure there are scheduled meal breaks and coverage for restroom breaks. It may help to have the merchants be able to

check in and set up before anyone else arrives at the site (but it may not help to let them check in before the branch is ready to have them there - just because they're there doesn't mean they can check in and set up). Also, schedule in advance for any overnight shifts.

b. Rotating responsibility

Have three or four people authorized to take money from participants and remove money from the gate at scheduled times. Mix the people up so that each time it's a different two people from the pool of four, who both count and bag the money. Have two people able to leave site to make bank drops. For a really large event, it may be necessary to have someone just run between the event and the bank with the money.

c. Bank drops or money conversion (i.e., getting the cash into the bank ASAP)

Figure out where you can either deposit the cash or convert it to money orders before the day of the event. If the bank you normally use is not near the event site, try to use the closest branch. If that isn't practical, make sure you can bring the cash to the nearest bank, credit union, currency exchange or post office and get cashier's checks or money orders (the fees would be an expense of the event). Western Union may be able to wire the money directly into the branch's account. Some Wal-Mart stores and grocery stores sell money orders as well.

Get disposable sealable bank bags, and include a SASE to the branch's Exchequer or Seneschal's address. At regular intervals (more often during peak times, less during slow times), count out cash equal to the total minus the starting cash, and remove it and any checks from the cash box. Place it in sealed or locked bank bags with a detailed count of bills and checks. Put a SASE addressed to the branch in the bag. Store these in a safe place until they can be transported to the bank drop or money conversion point.

Have two people drive the money to the bank or money conversion point a few times during the days with the most traffic through the gate.

Envelopes or bags containing gate funds shall be secured in a locked vehicle, out of public view. Two of the officers (or their representatives) verifying the deposit should convey the envelope to its destination.

DON'T ever deposit the money using an ATM into your account and then write a check to the branch. That's commingling of funds, and **strictly prohibited**. Writing the branch a personal check and taking the cash is also prohibited.

It is recommended that pictures of the persons authorized to handle the cash box be posted inside the cash box for easy reference.

d. Use multiple lines during peak times

Separate the crowd into separate lines - member vs. non-member, site-only vs. site and feast, pre-registered vs. non-pre-registered, etc. Use whatever separation most evenly splits the traffic.

e. Advertise the prices and site map

Use posters to show the prices being charged so that people don't have to use time asking and figuring out how much they owe. Put small versions of this list at each seat so the gate staff won't have to turn around to figure it out as well. Have a large map of the site near the gate table, but not so near that people will clump around it and block traffic.

f. Separate the check-in process into steps

Have one spot for pre-registration check off, another for money taking, another for waiver signing, and the last for token and flyer handout. People asking to help can be directed to the end of the line where most of the questions about the site will be asked.

g. Make the gate staff comfortable

Have in place at the gate some water with cups, sun block, snacks, and a restroom facility within 20 feet of the gate (close enough to use quickly, but not so close as to smell or have the line block access to the gate).

6. Accepting Checks

Checks received at the event should have the individual's legal name, address, phone number, and the name of their branch on the check, in case of problems. If they don't know the name of their branch, either leave it off or help them find out. All checks must be made out to your branch in the form of "SCA, Inc. - <sponsoring branch or entity>".

7. Refunds

If people request refunds at the gate, get their name and address, wait until their check clears the bank, then send them a refund check. Do not attempt to return an attendee's check; it creates problems for the autocrat and exchequer. Do NOT issue cash refunds.

8. Collecting any Non-Member Surcharges

When people check in at the Gate, they are required to show proof of membership because of the waiver policy. If an attendee is not a member, and there is a Corporate Non-Member Surcharge in effect for that type of event, they must pay this additional fee. After the event, the amount is calculated and sent in as the current requirements dictate. Each Kingdom has its own Gate Reconciliations forms; contact your Kingdom Exchequer for more information.

Any event surcharge should not be figured into event budgets, but will need to be included on the event reports both as income and an expense.

9. Gate Closing

At the close of the event, two or more individuals shall reconcile the attendance list to funds collected, and account for gross event income. This should be performed by both the individual responsible for custody of funds and by the Exchequer (or designated representative). Signatures of the individuals performing this reconciliation should appear on the attendance list evidencing performance of this reconciliation. All funds are then turned over to the Chancellor of the Exchequer (or designated representative) for deposit.

10. Trespassers

If it is determined that someone has entered the event without going through the gate to a) pay and b) sign the waiver, and you know their name, ask a herald to page them to the Gate table. If they do not appear within a reasonable time or you don't know their name, ask the Autocrat and branch Seneschal to approach them after you have pointed them out. They must either comply with the fees and waiver policy, or leave.

If it is determined that someone is attending a paid feast that did not pay for it, ask them to leave, as they are trespassing. This is where feast-tokens become useful.

The Exchequer's responsibility in these matters is to notify the Seneschal of those who did not pass through the gate. The Autocrat and Seneschal's responsibility is to enforce the event's rules (minimum dress code, beverage restrictions, littering, etc.), or have them removed as trespassers.

11. After the Event

All event funds should be deposited within 7 days but no more than 14 days unless extraordinary circumstances prevail.

B. Expense Reimbursement and Invoice Payment

No receipts may be reimbursed from the cash box at events (SFP XI).

Expenses shall be reimbursed by the Exchequer based on receipts tendered. In all cases, written receipts must substantiate disbursements. Fees may be paid based on invoices. Honoraria may be paid based on Financial Committee approval (a copy of a letter thanking the person included with the check serves as the documentation).

No receipts may be reimbursed from the cash box at events (SFP XI).

All funds advanced in excess of receipts tendered must be returned to the Exchequer for deposit.

No receipts may be reimbursed from the cash box at events (SFP XI).

Collect all the receipts as soon after the event as possible. Set a cut-off point of 14 days after the event, so you can meet the usual 30-day deadline for the event report. When making reimbursements, keep track of how much of each budgeted category has been spent.

No receipts may be reimbursed from the cash box at events (SFP XI).

If, for some reason, money is paid directly to a vendor personally for services rendered (such as honoraria, custodian fees or site rental to an individual), keep track of how much is paid over the year. If it's more than \$600 and the branch is in the U.S., an IRS 1099 form will need to be filled out for that person. The Society Treasurer fills out the IRS form. The information required is name, SSN, Address, amount paid to them and for what. This information is to be sent to the Treasurer by December 31 of that year, as the SCA has to file with the IRS by January 30 of the following year.

No receipts may be reimbursed from the cash box at events (SFP XI). (Get the picture?)

C. Attendance Management

One or more individuals will be designated to be responsible for maintaining the attendance list for the event. In addition, these individuals are responsible for collection of appropriate signatures indicating compliance with waiver policies. All attendance records (including waivers) should be delivered to the branch Seneschal, Exchequer or designated representative within 14 days after the event.

D. Final Accounting

At the close of the event, the individual responsible for the gate cash shall reconcile the attendance list to funds collected. (See IV.A.9 above) Don't forget to remove the "change fund" from the amount collected before determining gross income.

E. Non-Gate Income Management

One individual should be designated to be responsible for custody of non-gate income that is received during the event, and if the individual is not the Exchequer, see to it that this money is turned over to the Exchequer for reconciliation and deposit. This person may have deputies or helpers; however, the person in charge is ultimately responsible. Any person responsible for custody of SCA funds must be an SCA member. (SFP III.D)

If the activity that generates funds is medieval in nature (class fees, etc.), then the income is reported as *Activity Related*. If the activity that generates funds is not medieval in nature (auctions, raffles, etc.), then the income is reported as *Fund Raising, Internal*. If there is just a donation jar, the income is reported as *Direct Contribution*.

VI. GOING OVER BUDGET

Sometimes, estimates aren't very accurate, or unique circumstances appear where some expense is more than was expected. We can be flexible in these cases, as long as the funds are there to support us.

When a potential overrun is detected before the money is spent, take steps to verify that there is no other alternative. If some grocery store suddenly raises its prices, there is no reason why you can't go to some other store for a better price than the one you were budgeting on.

If there is really no other alternative, the Financial Committee can adjust the budget to match the new estimate.

If the overrun is found after the expense has already been incurred, the Financial Committee may still approve the additional expense, but it isn't obligated to do so. If the Financial Committee doesn't approve the overrun, the person can be reimbursed up to the limit of the budget. However, repeated overruns by the same person should be investigated -- did this person even know there was a budget they had to follow? Was the budget published? Did they make the purchase before the budget was approved? It may be a simple communication foul-up that can be corrected.

VII. REPORTING

The Event Steward and the Exchequer will complete an event report within thirty days of the close of the event. This report will include accounting for all event income and expenses, by category, and attendance. The event report will be sent to the superior officer as outlined in each Kingdom's Financial Policy.

VIII. RECOVERING BAD DEBTS

All checks received before the event should be deposited quickly, so that if a check is returned, the branch may try to resolve the issue before or at the event. See Chapter 11 for procedures to follow when attempting to recover these funds.

IX. CANCELLING AN EVENT

In the case where an event must be cancelled before it is held, several steps must be taken depending on where in the lifecycle of the event the cancellation occurs. Events can be cancelled after they are planned but before being advertised, or after being advertised. Events can be cancelled for several reasons - the site becomes unavailable for some reason (fire, flood, overbooking, etc.) and no other site can be found; another event is scheduled which would draw attendance at this event's expense (for example, a popular Tournament of Chivalry somewhere else the same weekend) that would make the budgeted event break-even point unreachable.

There are several steps that must be done to un-schedule an event. The scope of these steps depends on how much scheduling had been done up to the point of cancellation.

A. Cancellation after site contracts signed but before advertising

If an event is planned but must be cancelled before it has been advertised, all vendors must be notified as soon as the decision is made. Deposits should be returned from the vendor, possibly minus a fee. If the reason for cancellation is due to the site being unavailable after a contract has already been signed, it should be reasonable to get the entire deposit back. Ask for it. If the reason for cancellation is not due to a lapse on the site owner's side, the fee should be paid. Any fee paid would be reported under Fees, and the reason would be 'for cancelled event'.

Perishable supplies purchased for the event (such as feast food) can be returned if possible, used for some other purpose, or discarded. Non-perishable supplies can be kept for the next event. Non-returnable supplies expenses would still be reported under Event [Food, Supplies, etc.] regardless of whether they are used or discarded.

B. Cancellation after the event has been advertised

If an event must be cancelled after it has been advertised, word must be spread of the cancellation as far and wide as possible, as well as printing a retraction as soon as possible. Use the Internet to post messages on email lists or other public fora, and also print a retraction in the next kingdom newsletter if its first-class delivery date is still before the event was to occur. Call any officers or royalty expected to attend to notify them of the cancellation.

Call everyone who has sent in a reservation if you have the phone number from the checks to notify them of the cancellation and ask them where they would like the refund sent (some may decline the refund; be grateful).

All vendors must be notified as soon as the decision is made. Deposits should be returned from the vendor, possibly minus a fee. If the reason for cancellation is due to the site being unavailable after a contract has already been signed, it should be reasonable to get the entire deposit back. Ask for it. If the reason for cancellation is not due to a lapse on the site owner's side, the fee should be paid. Any fee paid would be reported under Event Occupancy.

Perishable supplies purchased for the event (such as feast food) can be returned if possible, used for some other purpose, or discarded. Non-perishable supplies can be kept for the next event. Non-returnable supplies expenses would still be reported under Event [Food, Supplies, etc.] regardless of whether they are used or discarded.

CHAPTER 10: NEWSLETTER AND PUBLICATION FINANCES

This article covers how to fund something many branches or guilds sell - newsletters. Also, some events produce site booklets with information on the schedule, activities, and merchants. Procedures and policies regarding newsletter and publication content will **not** be covered here, as the Chronicler is responsible for that. This chapter will deal strictly with matters involving the income from selling and advertising, and the expenses of printing and distribution. Newsletters and other publications involve a partnership between the Chronicler and the Exchequer, and approval from the Financial Committee.

X. RESPONSIBILITIES

A. Financial Committee

The Financial Committee is responsible for approving the funding and pricing plans for a newsletter or other publication where funding uses the SCA account. Funding is usually done either as a set amount per month to spend in creating and distributing the newsletter, or as a subscription price. It is also allowable for a Financial Committee to decide that the branch pays for the paper copies of a branch newsletter out of the branch account, and the branch does not expect payment from the populace for the issues.

B. Chronicler

The Chronicler is responsible for the content, layout, and distribution of a newsletter. He or she is also responsible for keeping accurate records of subscriptions and providing the Exchequer with a list of subscribers (but not necessarily the mailing list with addresses) upon request and at least quarterly in conjunction with the Exchequer report due dates.

The Chronicler may not keep any money indefinitely as "petty cash" nor deposit any newsletter money in any account other than the branch's bank account (the same as anyone else). This does not prevent a Chronicler from being one of the authorized signers on the account; however, the Exchequer remains responsible for the account. This policy is in place to reduce work, **not** because Chroniclers are assumed to be untrustworthy.

C. Exchequer

The Exchequer is responsible for depositing and disbursing all monies received from sales or subscriptions for the purposes of publishing and mailing a newsletter. These funds may only be spent for preparing, printing, and distributing that newsletter. It is recommended that each newsletter that is funded from an SCA bank account have its own special purpose fund within the branch account.

The Exchequer completes the **Newsletter Subscriptions Due Worksheet** in the Financial Report Packet with the information necessary provided by the Chronicler.

Anyone who manages SCA funds must be a warranted Exchequer. It has been customary that the Chronicler of a branch or guild may not maintain a separate bank account without written variance from the Kingdom Exchequer. The only exception to this is for Kingdom Chroniclers, who report directly to the Society Exchequer.

XI. CREATION OF A NEWSLETTER

This is a very basic discussion on what things need to be considered when starting up a newsletter. If you have already thought of these things, or have an established newsletter, good for you! This discussion is targeted so that a novice branch can successfully start up and finance a newsletter.

First, there is the terminology. A Newsletter is a periodically published item (i.e., the Glyph Notes). An Issue is a periodic version of a newsletter (i.e., March 2006). A Copy (for this discussion) is one copy of an issue of a newsletter (i.e., my copy of the March 2006 issue of the Glyph Notes newsletter).

To start a newsletter, there are four things to consider: how often the newsletter issues are generated (issue frequency), how many copies per issue to print, how many pages one issue will contain (standard issue size), and how many copies per issue need to be sent. Once you have these figured out, you will have an idea of what it will cost to print and send one issue of the newsletter, and how much it will cost for a year to print and send the newsletter.

A. Determine Issue Frequency

Will your newsletter generate issues monthly, bi-monthly, or use some other timing? This is important for determining your yearly budget for generating the newsletter.

B. Estimate Number of Copies of Each Issue to Distribute

Estimate how many issues you intend to distribute, regardless of price. Some may be free, either complimentary copies for Royalty, Kingdom Chroniclers, or new people, or traded to other newsletters in return for a copy of their newsletter. Others you can sell, either by direct issue sales, or by subscription. Don't forget to keep a few for the branch or guild's archives.

1. Complimentary Issues

The Kingdom Chronicler and the Crown are usually sent free copies of any newsletter issue in that Kingdom. The Society Archivist also would appreciate being sent any copies of your newsletter as well. Your Kingdom Chronicler or branch or guild may require that other free copies be sent out. The branch may decide to offer some (for new people via the Chatelaine) or all copies free of charge, in which case, determine how many people will want copies other than the required recipients above.

2. Trade Issues

How many copies of each issue do you intend to trade with other newsletters?

3. Sold Issues

How many copies of each issue do you intend to sell to people, either by subscription or direct sales?

4. Archive Issues

How many copies of each issue do you intend to keep for the branch files?

C. Determine Standard Issue Size

1. Figure out what size paper you want to use: 8.5 x 11, 8.5 x 14 (legal), 11 x 17, or A4.
2. Figure out how many pages you intend to print on that size paper. You can print a lot on one 8.5" x 11" sheet, both sides.
3. Figure out how many sheets will need to be printed at that size by dividing the number of pages by 2 if one side of the paper will contain one page, or 4 if one side of the paper will contain 2 pages (the sheet is folded in half).

D. Estimate Number of Copies of Each Issue to Print

Consider the method of distribution: some newsletters are now distributed on the Internet or via email in Adobe PDF format, others are strictly paper issues, and some branches do a combination of both. You can charge for either method, but printing generally will cost.

E. Estimate Number of Printed Issues to Send

Estimate how many copies you will need to send through the mail. Calculate the proper amount of postage for the size you estimated. Contact your local postal authority to see if there are alternate plans for mailing which may save you money - bulk rates, third class, etc., although for branch newsletters this most likely won't be of use.

XII. NEWSLETTER FUNDING

Newsletters usually require money to be published -- money to pay for the copying and mailing. Sometimes the Chronicler donates this money. If they are U.S. residents, they may deduct any costs incurred (but not labor) from their Income Taxes. However, most Chroniclers will want to be reimbursed for their expenses.

Branches and guilds are encouraged to provide a newsletter to its members as a service, and allowed to decide whether to provide it free of charge. If the branch has a great deal of other income or the newsletter is produced at a very low cost, this may be ideal. Unfortunately, most are not this lucky, and require some income to pay for this service without bankruptcy.

There are several ways of paying for a newsletter: donations, fund-raisers, sponsorship, direct sales, advertising, and subscriptions.

A. Donations and Fund-Raisers

Branches may solicit donations and hold fund-raisers to pay for the publication and distribution of their newsletter. All money collected for the newsletter is placed in a Newsletter Fund. The printing and postage expenses are paid out of the Newsletter Fund with all expenses requiring approval of the Financial Committee. This income is reported as Gross Newsletter Income.

Notable examples are the Kingdom Newsletter A&S Issues or Red Tape Issues -- the Kingdom Chroniclers usually request donations from the populace and hold fund-raising activities in order to pay for the publication of the additional issue of the Kingdom Newsletter.

The advantages to offering newsletters for free are that anyone who wants a copy of a newsletter issue can have one without paying for it. This can be great for recruitment of new members - the chatelaine can hand out or send copies of the current newsletter to potential members.

The disadvantages are that it is possible to lose money on the newsletter if donations fall below the amount of expenses generated by publication. If the branch has enough resources to absorb a loss, they can decide to do so. However, care must be taken to not deplete the branch of operating funds.

B. Sponsoring Pages

To accept sponsorship, set a minimum donation for a page, and print only the name of the sponsor on the bottom of the page, or on a list of sponsors somewhere in the issue. The sponsor may or may not have anything to do with what is on the page, but the page should have content, and not advertising.

It is important to note that notice of sponsorship is brief – usually in the form of “This page sponsored by <name>”. This works well for A&S Issues and Red Tape (Kingdom Laws & Policies) Issues. The donation is reported under Direct Contribution.

If a branch publication accepts sponsorship, and is so grateful they might want to tell the reading public a little about the Sponsor, they may only do so in the Editorial parts of the publication. The safest place (is an Editorial from the Editor, or a Letter to the Editor from the public.

C. Advertising

Up until 2006, advertising was only allowed in Kingdom Newsletters. The reason was to avoid the complex financial calculations required due to advertising income being ‘Unrelated Business Income’ – which is taxable. Everything the SCA does is not taxable **except** for advertising and inventory.

A vendor paying for advertising is paying for specific ad content that they provided to be included in a specific issue of a newsletter. Because the information may be time-sensitive, care must be taken to make sure that the advertiser knows the timeframe of distribution of the newsletter before any agreement is made to include the advertising. If a contract between the SCA and an advertiser is **at all** involved, the Seneschal must also be involved to sign it.

To take in advertising, there needs to be a set rate for each ad size. The Chronicler should approve of the ad content **before** any money is accepted, or the advertising income must be returned if the ad submitted does not meet with the Chronicler’s approval.

D. Sales

1. Direct Issue Sales

Direct issue sales are when the individual issues are purchased from the Chronicler or Exchequer. Each issue may have its own price, depending on the cost of producing that issue. The income is placed in the Newsletter Fund, and expenses are reimbursed out of that fund. (See Fund Accounting in Chapter 4.) Incoming money is recorded as Gross Newsletter Income, and expenses are reported under Administration Postage or Printing unless advertising is also involved (see below).

The advantages are that people may buy only those issues they want, and it allows new people the ability to see what the Society in that area is doing without committing a lot of money. It also saves money because postage is usually not involved.

The disadvantages are that people must seek out the seller(s) to obtain the newsletter, and may miss out if they don’t catch up to them. It may also be hard to determine how many copies of each issue to print – there may not be enough to go around, or too many that must be discarded.

2. Subscriptions

Subscriptions are when a person buys several issues at once in advance. They then expect that the issues they have purchased will be delivered to them as they become available. At any point in time, the branch owes them the amount of the subscription that has not been used (the Newsletter Subscriptions Due liability).

Exchequers must make sure that their branches Newsletter Subscription Due liability is funded. This means that we must have enough money in the bank at all times to pay back all the subscribers if we discontinue the newsletter before their subscription runs out (or they all discontinue their newsletters before their subscriptions run out). One way to minimize this liability is to publish in advance a ‘no refunds’ policy.

The income is kept in the Newsletter Fund, and expenses are reimbursed out of that fund. (See Fund Accounting in Chapter 4.) Incoming money is recorded as Gross Newsletter Income, and expenses are reported under Administration Postage or Printing as appropriate.

The advantages of selling by subscription are that someone can pay once and have a number of issues sent to them, without having to seek out the sellers. This is great for people who are unable to show up at branch or guild events regularly, or who are forgetful about keeping up with the issues.

The disadvantages are that the branch is obligated to provide either the newsletters or a refund, and that the newsletter usually costs more because of postage.

If an issue doesn’t get printed for some reason, the subscriptions must be extended to the next issue to ensure that the subscribers get the same number of issues for which they paid.

XIII. EVENT FLYER FUNDING

Event booklets are usually produced as an event function. Branches and guilds are encouraged to provide site schedule information to its event attendees as a service, and allowed to decide whether to provide it free of charge. The cost of creating event booklets should be included in the event budget.

There are several ways of paying for an event booklet: sponsorship, direct sales, and advertising.

A. Sponsoring Pages

To accept sponsorship, set a minimum donation for a page, and print only the name of the sponsor on the bottom of the page, or on a list of sponsors somewhere in the issue. The sponsor may or may not have anything to do with what is on the page, but the page should have content, and not advertising.

It is important to note that notice of sponsorship is brief – usually in the form of “This page sponsored by <name>”. The donation is reported under Direct Contribution.

B. Advertising

Up until 2006, advertising was only allowed in Kingdom Newsletters. The reason was to avoid the complex financial calculations required due to advertising income being ‘Unrelated Business Income’ – which is taxable. Everything the SCA does in the US is not taxable **except** for advertising and inventory.

A vendor paying for advertising is paying for specific ad content that they provided to be included in a specific publication. If a contract between the SCA and an advertiser is **at all** involved, the Seneschal must also be involved to sign it.

To take in advertising, there needs to be a set rate for each ad size. The Chronicler should approve of the ad content **before** any money is accepted, or the advertising income must be returned if the ad submitted does not meet with the Chronicler’s approval.

C. Sales

Direct sales are when the individual event booklets are purchased from event staff. Incoming money is recorded as Newsletter Gross Income, and expenses are reported under Activity Related Printing unless advertising is involved.

XIV. PRICING

A. Advertising

Advertising income should be used at a minimum to pay for the cost of producing the percent of the publication that the ad makes up. Divide your publication (either an issue of a newsletter or an event booklet) into full-pages, half-pages, or quarter-pages – whatever your smallest ad size would be – and count them. Include the covers as well. This is the count of possible ads (even though it contains the covers). Then, estimate the costs of printing a whole run of those publications. Divide that cost by the count of possible ads to find a per-ad cost. Round that up to a reasonable whole number to get your minimum ad price per smallest ad. Use that to determine your minimum ad price for larger sizes as well – if you have a quarter page ad price, the half page ad price would be twice the quarter page ad price.

B. Newsletters

The first thing to do when selling a newsletter (either through direct sales or subscriptions) is to set a price.

- If the newsletter is to be handed out to anyone who wants one, the price is zero. Advertising income would offset the expense of making the newsletter.
- If the newsletter is to be sold by issue, the price should cover the cost of one copy of that issue. Advertising income would both offset the expense of making the newsletter, and possibly reduce the price set for that issue.
- If the newsletter is to be sold by subscription (X issues at a time as they are published), the price should cover the cost of all X issues. Advertising might not be predictable enough to have any effect on the price set for a subscription.

If the newsletter is to be sold by issue, then each issue should have its own price. The price for each of several issues can be the same, although if the issues are different sizes (and thus different costs), the price should change as the cost changes.

Newsletters may have differential pricing, such as an introductory rate for new people. When just starting out, or when one of the costs you plan on changes (either up or down), calculate your cost per copy using the method below.

It is essential to know the cost per copy in order to set a price that accurately reflects the actual cost of printing that issue. Newsletters are allowed to be sold to make a profit, although any profit falls under the same rules and policies as any other money raised any other way, such as to save up for some item (print cartridges), or to pay for some special issue (A&S or Red Tape). In the following section, ‘copy’ means one stapled, folded set of papers. ‘Issue’ means a collection of copies that have the same information printed on them.

1. Total Printing Cost per Issue

Find out the cost to print one sheet of the size of paper you chose on both sides. Try to get the best cost possible by comparison shopping. Remember that as quantity goes up, cost may go down. Printing 300 sheets may be cheaper per sheet than printing 50 on the same quality paper. Also make sure that you print more than enough for the issue. Printing 200 cheaply won’t save you much money if you needed 250 and the last 50 costs almost as much as the first 200.

Paper quality affects price, as well. Make sure that you use the correct quality -- colored paper or parchment may look nice, but it’s more expensive. Heavier paper also costs more to mail.

If your newsletter is a pretty stable size and you have a significant number of copies to print per issue, try to get a contract from your printer. This may save you money. Because it’s a contract, the Seneschal must sign it.

Multiply the total sheets needed for one copy by the number of copies to be printed. This will give you the total sheets to be printed for this issue.

$$(\text{number of sheets for one copy}) \times (\text{number of copies to be printed}) = (\text{number of sheets to be printed for this issue})$$

Multiply the printing cost per sheet by the number of sheets to be printed. This will give you the **TOTAL BASE PRINTING COST PER ISSUE**.

$$(\text{printing cost per sheet}) \times (\text{number of sheets to be printed}) = \textbf{TOTAL BASE PRINTING COST PER ISSUE}$$

Additional costs may be collating, folding, stapling, addressing, sealing, color covers or unusual page combinations, such as an 8" x 14" cover on an 8" x 11" folded newsletter. This may be a flat rate or by copy count. Add this to the base printing cost per issue to get the total printing cost per issue.

Total base printing cost per issue
 + Collating, folding, stapling
 + Color covers, special pages
 =====
TOTAL PRINTING COST PER ISSUE

2. Total Postage Cost Per Issue

Find out how much it will cost to mail one copy of that weight. This is the postage cost for one copy. Even if you won't be distributing them by mail, you may still need to mail the complimentary copies as required by your Kingdom.

Multiply the number of copies to be sent by the postage cost for one copy. This will give you the **TOTAL POSTAGE COST PER ISSUE**.

$$(\text{postage cost for one copy}) \times (\text{number of copies to be sent}) = \textbf{TOTAL POSTAGE COST PER ISSUE}$$

3. Total Issue Cost

Add the **TOTAL PRINTING COST** to the **TOTAL POSTAGE COST**. You may want to round this number up to the nearest dollar or just add a few dollars to account for small costs such as envelopes, staples or tape, and list them under **INCIDENTAL EXPENSES**. Add this to the first two, and this will give you the **TOTAL ISSUE COST**.

TOTAL PRINTING COST PER ISSUE
 + TOTAL POSTAGE COST PER ISSUE
 + INCIDENTAL EXPENSES PER ISSUE
 =====
TOTAL ISSUE COST

4. Cost per Copy

If the newsletter is to be sold, divide the **TOTAL ISSUE COST** by the number of copies to be sold; otherwise, divide the **TOTAL ISSUE COST** by the number of copies to be printed. This will give you the **COST PER COPY**. In the first case, by dividing the **TOTAL ISSUE COST** by the number of copies to be sold, the cost of the free and trade issues are spread across the cost of the sold copies, so that every sold copy pays for a small part of a free or trade copy.

$$\textbf{TOTAL ISSUE COST} / (\text{number of copies sold or printed}) = \textbf{COST PER COPY}$$

Cost per copy may change while the first few issues are published, due to being able to better predict the needs of the newsletter -- how many to print, how many pages are needed, etc. It may make sense to do the first few issues as a direct copy sales item until your newsletter size and readership become stable.

5. Selling Price per Copy

Use the cost per copy to determine your selling price. If the branch's financial committee decides to subsidize all or part of the newsletter cost, you can set the selling price lower than the cost per copy. Otherwise, round up the cost per copy to a reasonable amount. You can also offer different prices depending on whether you will be mailing that copy or not. In that case, only add the required mailing postage to the calculations above, and then tack postage for one copy to be mailed on to the individual issue cost for the mailed price.

6. Selling Price per Subscription

Taking subscriptions is not nearly as difficult as it may seem at first. Changing the rate of subscription after a newsletter has been established requires a bit more thinking when creating the reports, but keeping good records of who has what subscription rate will go a long way to salvage the Exchequer's sanity. Try to make sure that the price you determine for the newsletter is a price you can stick with for several issues. Compare the subscription price to the price of other newsletters to make sure the price is comparable.

If you are going to sell subscriptions and you just want to sell subscriptions at the same rate no matter when during the year the subscription is purchased, use the selling price per copy multiplied by the number of issues in a cycle to determine your subscription price for a cycle. A subscription cycle is normally a year.

If your branch wants to make things easier on the Exchequer during Domesday, they can allow you to pro-rate the subscriptions during the year. This means that each month the subscription price changes, because all subscriptions end

in December. Make up a chart for how much the subscription costs each month to make it easy on yourself. So, if your price per newsletter is \$1 per year, in January the subscription cost is \$12, and in June the subscription cost is \$7.

However, if an issue doesn't get published, the subscriptions end one issue later -- thereby throwing off the December time frame. The best way to handle this is to have everyone get one free issue the following year - meaning that there will be a Newsletter Subscriptions Due liability of one issue price x number of subscribers. The next year's subscription price would be calculated on one less issue per year, and everyone pays that amount. At the end of the next year, assuming no more missed issues, you are back on track with Newsletter Subscription Due liability of zero.

XV. SALES

The Exchequer and the Chronicler need to work together to determine how to sell the newsletter or other publication, as well as handle the incoming funds from all forms of sale, both direct issues and subscriptions. Incoming issue sales money and subscription money taken at any branch gathering should be treated just like other incoming funds – see Chapter 4.

XVI. REPORTING

In the case where the newsletter is provided free to the populace, the Chronicler does not have any financial reporting obligation. The Exchequer handles the printing expenses as normal administrative printing expenses.

A. Newsletter Income

Income for newsletters from sponsorship is reported under Direct Contributions.

Income from newsletter sales from subscriptions or direct sales of current or past issues is reported on the **Newsletter Income Worksheet** under *Gross Newsletter Income*.

In the case where the newsletter is sold by subscription or by issue, the Chronicler is required to report to the Exchequer how much money was collected (if the Chronicler collected the money) and deposited.

In the case where the newsletter is sold by subscription, the grids on the **Newsletter Income Worksheet** are used to calculate the Subscription Liability. *Newsletter Subscriptions Due* liability must be calculated in order to properly fill out the financial report when subscriptions are concerned. The Chronicler is required to report to the Exchequer the number of subscriptions expiring by issue. Directions for filling out this form can be found in Chapter 7.

B. Advertising Income

The financial reporting required involves subtracting the cost of producing the advertising as a percentage of the total cost to produce that issue. The result is what could be taxable.

In order to simplify the financial reporting, it is **highly encouraged** that a 5-to-1 rule be used. The 5-to-1 rule is 5 pages of content to 1 page or less of advertising OR 5 pages of advertising to 1 page or less of content. This rule must be applied to **each issue** of a newsletter. If this rule is followed, then the percentages are rounded. If the content is 5 and the advertising is 1 or less, then the percentage of production cost is rounded to zero. If the content is 1 or less, then the percentage of production is rounded up to 100%.

If the 5-to-1 rule is not used, the percent of the issue that is advertising must be calculated. This must be done for each issue of the newsletter, not just for the whole newsletter. This can be done by pages:

$$(\text{count of pages of advertising}) / (\text{count of pages of content including covers}) = \text{Percent advertising}$$

If only partial pages are advertising, then use the count of half pages in the calculation. The percentage is then applied to the total cost of printing that issue, the result of which is entered on the **Income Worksheet Part 2**, and the rest is expensed as **Printing** on the **Income Statement**.

For example, if you have an event booklet that is half advertising and half event content (schedule, maps, etc.), and the cost of printing up all of the event booklets was \$100, then \$50 would be the amount of the publication cost to be entered on the **Income Worksheet Part 2**, and the other \$50 would be expensed as *Printing* on the **Income Statement** as usual.

Because printing costs are almost never nice round numbers, and the percentages might not be nice even fractions, using the 5-to-1 rule is **highly recommended**.

C. Expenses

Newsletter printing expenses are reported under *Office & Administration*, and event booklet expenses are reported under *Activity Related*. Unless advertising is involved, all newsletter and event booklet expenses are reported on the *Printing* line on the **Income Statement**. Otherwise, the percent of expense involved in the advertising is reported on the **Income Worksheet Part 2** under *Cost*, and the percent of expense not involved in the advertising is reported under *Printing* on the **Income Statement**.

CHAPTER 11: HANDLING BAD CHECKS

If a check bounces after being deposited into an SCA account, there are a few procedures to follow in order to attempt to recover the funds. Most banks allow you to resubmit a check after one failure. When you contact the person who wrote the un-honored check, don't assume maliciousness. It usually is just forgetfulness or bad bookkeeping. Let them know you are thinking this, and you will have better success recovering the funds. If they want to pay you back, you will be paid. If they don't want to have anything to do with you, you won't get anywhere with them, no matter what you do.

I. SCOPE OF INVOLVEMENT

The SCA will not get involved in disputes between customers and independent merchants over bad checks or debts. Merchants have the same legal recourse for collecting money from their customers as the SCA does. These are civil issues between two other parties, neither of whom is the SCA. The SCA does not endorse or guarantee any merchant's wares or practices. This would be similar to purchasing merchandise at a mall. The Shopping mall is not responsible for the individual store.

II. PRIVACY REQUIREMENTS

All requests for names, addresses, or telephone numbers of any SCA members from merchants, collection agencies, phone solicitors, other organizations, or individuals who are not duly authorized to conduct official SCA business must be refused in all instances. If a subpoena for such information is received, you must immediately notify your superior officers before complying with the subpoena. This does not apply when someone is asking for a contact point for information -- in which case the information that should be given out is for your Seneschal, who is the legal representative for the branch.

III. RECOVERY STEPS

As branch Exchequer, you may or may not be involved in recovery of bad checks personally.

If, at any point, the debtor wants to work something out with you, set up a payment schedule. This schedule may extend over the course of few months, but should not exceed six months. The recommended repayment plan should include a down payment of one-third of the total debt owed. A letter detailing the repayment schedule should be sent to the debtor with one copy kept for your files. Indicate in all your correspondence that money orders or cashier's checks are the only acceptable forms of repayment.

Otherwise, follow these steps one by one until you have exhausted all efforts to recover the funds and any fees you have been charged, or it is decided by the Financial Committee that it is no longer worth pursuing.

A. Report

List each bad check and any fees you are charged as a receivable on your report. Bank charges incurred from a bounced check do **not** get expensed in order to balance the reports (For example, a \$10 fee charged to the branch goes from cash to receivable, and back again when it's replaced). Do not subtract it from the income from the event. When you receive the funds from the person, just erase the receivable (it's a transfer from Receivables to Cash). If the bank notifies you of the bad check after the report has been filed, just list it on the next report.

B. Resubmit

Sometimes checks may be submitted more than once, depending on your banking institution. If the check was returned for insufficient funds, and you haven't heard from the person involved, try this after a week or so, to allow time for the person to have gotten paid.

C. Contact By Phone

Attempt to contact the person on the phone, using the phone number on the check. Don't accuse them of anything. Tell them that the check was returned, that you are still owed the original amount, and state that any fees which the bank charged you are now also due from them. Let them know that you are assuming it was some sort of bank mistake at their bank or a simple error that can be easily and quickly corrected. Ask them when you may expect payment, and give them the name and address of the person to whom a money order should be sent. Don't tell them to send cash through the mail! Request a money order for their protection in case it's a problem with the bank. Give them your address or phone number should they need to contact you, and so they can let you know when the money order is being sent. Let them know that you are willing to work something out if they cannot pay the amount all at once. After about two weeks of messages and no contact, try calling at odd hours within reason -- they may work second or third shift. However, don't harass them, or shift your schedule trying to contact them. If you call once a day at different times for a week with no success, go to the next step. Keep receipts for your calls if they are toll or long-distance calls.

D. Contact Branch For Information

If you still have no luck after calling (or if the phone is disconnected), contact their branch Seneschal or Exchequer (if it is someone outside your branch) to see if this is really worth pursuing. They may know the person's new address if they have moved. They also may be able to let you know if it is a lost cause. This is why having their branch stated on the check when it is accepted is a good idea - more ways to contact them. If your kingdom has a members-only email list for the exchequers, ask there if anyone knows that person. Then you can talk with them off-list to get better contact information.

E. Contact by Mail - 1st Attempt

Attempt to contact the person by mail. In the letter state the date, the check number, the amount, the amount of any fees you have been charged, where to send a money order, and by when you expect a response. Once again state that you are willing to work something out if they cannot afford to pay the entire amount at once. Send a copy to (cc:) their branch Exchequer, your branch Seneschal, and your superior officer. (Their branch officers aren't required to do anything, but just having someone in their branch know they bounced a check can be enough embarrassment to prompt them to cooperate. However, don't use the newsletter subscription list as a cc: either.)

There is a form letter at the end of this chapter that you may use as a guide to help you write your own letter.

F. Contact by Mail - 2nd Attempt

If your deadline passes with no response, contact the person by mail again, after checking with their branch Seneschal for their most current address (the other letter may have gotten lost in the mail). State the same information as on the last letter, using today's date, but include the fact that you have every right to report this bad check to a credit information network. If the amount in question is more than a few hundred dollars, you may want to consider small claims court, and include this in the letter. Enclose a copy of the first letter. Copy (cc:) their branch Seneschal and Exchequer, your branch Seneschal, and your superior officer. There is a form letter at the end of this chapter that you may use as a guide in writing your own letter.

G. Re-Evaluate

At this point the cost of recovering the funds may be greater than the amount of funds due itself plus phone calls, postage, aggravation, etc. You may decide to write it off as a Bad Debt at this time (see I below). Contact your Financial Committee and let them know the status so that they can make a decision whether to drop the issue.

Explore other alternatives, such as asking their branch Exchequer to post in their branch newsletter that person's name as having 'unfinished business with the Exchequer' and see if they can work something out with them for you. The Kingdom Exchequer might be willing to do this as well, if the amount was large enough, or enough other branches have had problems with this same person.

H. Contact by Mail - 3rd Attempt

If you decide to continue, try sending a third letter by registered mail. Unfortunately, this usually only works if the address is not a PO Box. You can use the second letter template, but add information about the second letter sent just after the information about the first letter. Include a copy of the first two letters and copy (cc:) their branch Seneschal and Exchequer, your branch Seneschal, and your superior officer.

I. Write Off or Report To Legal Authorities

If you have not recovered the funds after six months have passed, write it off, and don't accept checks from this person again. Decrease Receivables by the amount of the debt plus fees and expense the original amount under *Bad Debt* and report the bank fees charged under *Bank Charges*. Both of these entries go in the category that the original income or expense would have used. The SCA has the option of reporting the bad check information to credit information networks, or, if the amount is large enough, going to small claims court. Even if you get judgment in small claims court, it is up to you to collect. The court won't help you any further than order garnishment of wages - which you must ask for and it costs money to do that, too. Contact your superior officer for information on how to proceed if either of these are the decision of the branch or guild's Financial Committee. The Seneschal is responsible for these types of legal issues.

IV. USING KINGDOM LEVEL BAD CHECK LISTS

One thing a Kingdom Exchequer can do to help resolve bad checks is to maintain a kingdom-level bad check/'good cash customer' list. **This list must not be made public.** If there is a private, subscription only, email list, the Kingdom Exchequer may post it there to the exchequers. The Kingdom Exchequer will document the rules for getting on and off the list.

A. Display of the List

1. The list must not be labeled obviously as a 'Bad Check List' if it is on the surface of the gate table.

It can be on the inside of the cash box lid, it can be on the table with no heading, it can be hanging from the staff side of the table. Just not out on the surface where any reasonable person can deduce it's a bad check list.

2. The list must not be published in any form.

It can be made available upon request from the Kingdom Exchequer. It can be sent via email to a private and subscription-controlled email list. It can be stored on a Kingdom web page with ids and passwords to protect it. However, anyone accessing that information must know that it is confidential and dissemination is not allowed.

3. Any person working at the gate table that may come in contact with it should know what it is, and should also know that it is strictly confidential information.

If you or the Kingdom Exchequer finds out that someone has been gossiping about the contents of the bad check list, you and they are certainly well within rights to impose an administrative sanction that the gossiping person never serve at a gate again, or hold a financial position. It may be helpful to have some sort of 'gate staff' pamphlet that outlines the responsibilities for agreeing to work at gate before anyone can be allowed to work at gate. This way it would be much harder for someone to plead ignorance of the rules if they go ahead and talk about those on the list inappropriately.

B. Use of the List Information

When running gate and someone shows up who is on that list, we are **not** required to accept a check from them. In fact, we are not required to accept a check from anyone at all.

We can politely and quietly inform them that we will happily take either cash or a money order, but we cannot accept a check from them at that time. If they make a fuss, don't join in. Just keep politely and quietly stating that we would be happy to admit them to the event once the required fees are paid and that we require the fee from them to be either in a cash or money order form. If they ask why, tell them that we are not required to take checks from anyone, and that they need to talk to the branch exchequer or seneschal.

If they start backing up the line, have someone take them aside to talk to the branch seneschal or exchequer regarding the situation. If you are that officer, then make arrangements to take them out of the line to speak with them privately.

You can tell them privately that they are on the Kingdom bad check list and what the events and amounts are. If they want to clear it up with you by giving you cash or money order for the total outstanding amount, and have you forward the outstanding amounts to the other branches, **and** you are willing to do that, that's fine. If you are not ready to handle that extra work, they can just pay for the current event with cash or a money order and handle the other outstanding amounts separately.

V. SAMPLE LETTER TEXT

<modern name>
<address>

Unto <modern name>, does <exchequer>, Chancellor of the Exchequer of <branch>, send greetings!

Gentle <lord/lady>,

It is my sad duty to let you know that the check you wrote at <event> (<check number>) in the amount of \$<amt> on your <bank name> account was rejected by the bank for <NSF><closed account>. This has resulted in a service charge of <charge> to <branch> by its bank. A copy of the check and charge are enclosed for your review.

As I am sure that there was a misunderstanding or other error that resulted in this circumstance, I would appreciate it if you could send me a replacement <check><money order> in the amount of <total due> no later than <date>. Please make it payable to SCA, Inc. - <branch> and send it to me at the above address. If there is any difficulty with this, please let me know immediately. I look forward to receiving your replacement check. Until then, I remain,

Sincerely,

<your name>
<your office>

Cc: <list>

CHAPTER 12: HANDLING POSSIBLE THEFTS

If you hear of or find a discrepancy in the books or inventory, or suspect that a theft may have occurred, this section will let you know how to determine whether it is actually a theft or not, and if so, who to talk to, when to talk to them, what to tell them and what you will need when you talk to them. Hopefully, you will never have to look at this section or need to follow these directions.

Problems can be found through preparation of the Domesday report, an audit during a change of officer (or when an officer suddenly leaves), after an event during preparation of the final report, when inventory is taken, or when a check bounces that shouldn't. All of these have happened, several times.

Branch exchequers can detect errors when they take office by checking the figures for the previous year and the inventory. Encourage the branch exchequers to have the final report done within a month for all events. All of this helps cover them in case of problems. If there is a problem and the branch exchequer doesn't find it before someone else does, the branch exchequer doesn't look very good.

The most important thing they need to remember is that once they have determined that there is a problem, **IT MUST BE REPORTED IMMEDIATELY** to the Kingdom Seneschal and the Kingdom Exchequer. There are NO exceptions to this - not even for their or your best friend, knight, apprentice, squire-brother or liege lord. Theft is a modern crime and must be reported to the modern authorities. Acts of theft will be prosecuted and the Board of Directors will require that the Kingdom prepare a request for appropriate disciplinary action. Appropriate disciplinary action can be anything up to and including revocation of membership in the Society. Failure to report a theft once it is discovered will be grounds for disciplinary action against the officer(s) who failed to report the situation.

The second most important thing to remember is not to contact the person they think is responsible, or talk to anyone other than the above-mentioned officers about the situation until they are instructed to by the superior officers. Branch officers are not to try to confirm whether a theft has occurred or try to negotiate with a suspected thief, because this can muddy the waters if a criminal or civil suit becomes necessary. You, the Kingdom Exchequer will handle that.

I. HOW TO INVESTIGATE A POSSIBLE THEFT

If a possible theft is suspected after an officer has left office abruptly, chances are good that there are sketchy financial records or no records at all for the group. If this is the case, the first thing to do is to contact the bank where the group kept their account, and verify who the authorized signers on the account are. This is where the Kingdom Exchequer being a signatory comes in handy.

Find out what needs to be done to either freeze the account, or remove the suspected person from being a signer on the account, and follow those procedures immediately.

Request from the bank copies of the bank statements and all transactions that have taken place during the period when the suspected theft took place, which could be their entire tenure as Exchequer. Follow the procedures for file reconstruction in Chapter 2, section VIII.A.

It should be made clear to the officers involved that this cost will be incurred and that the branch must pay it. It may be possible to get this back from the person once theft is proven.

Once copies have been obtained from the bank, a reconstruction of the group's activities can be done using a spreadsheet. Start with the numbers you know are good, either from a prior report or simply starting with the cash in the bank from the bank statements. Review all the checks written from the account and look for the following indicators of problems:

A. Are the required signatures on each check?

Have any of the signatures been forged? One way to tell if checks have been forged is to compare the signatures on various checks over a period of time, for the same signers. If the signers are cooperative, get samples of their signatures or a copy of the bank signature card to compare against the checks.

B. Are the checks for legitimate group expenses?

Do they match those activities that were known to take place during the time period involved? Or are they being written to mini-marts near the home of the person under investigation?

C. Are any checks written to cash?

Were any written directly to the person suspected of the theft or just to 'Cash'? How were those handled with regards to signatures?

D. Do the deposits match the event reports?

Is all the cash reported as received by the gate being deposited into the bank? Is all the cash received deposited? Can all the deposits be traced to a particular event, fundraiser, or other activity? Are any deposits missing?

E. Were there long delays between event dates and the proceeds being deposited?

Any period longer than a couple of weeks is a bad sign.

F. If transfers were made between a savings account and checking account, were they "shorted" of cash during the transfer?

This is done by requesting "cash back" when someone actually goes to the teller window. Generally, the person making the request must sign the withdrawal/transfer slip when cash is received.

G. Are checks made out for legitimate looking expenses (i.e. to vendors) actually being endorsed by someone else?

H. Do the checks clearing the bank account actually match the ones recorded on the check register?

I. Has the amount of receivables for bounced checks increased markedly over the period of time in question?

In one review, the receivables literally doubled because, while the person bouncing the check was repaying the money when contacted by the Exchequer, they repaid with cash that was never deposited.

J. Are checks made out to the SCA group being cashed by someone else?

Check the endorsements on the back - are additional "pay to" lines added back there? Frequently, banks will process checks presented to them in person for cash differently than deposited checks. There will be a computerized line on the front telling you that the check was cashed at a teller window.

K. Are cleared checks written for the same amount that they cleared for?

Does that amount match the bank? For example, if the books record a \$25.00 expense, but the check clears for \$250.00, did someone alter the check after it was written or while it was written? When checks clear, the amount they clear for is written in magnetized ink on the bottom right corner of the check (it will be in a font similar to the account number and check number down there).

While there are certainly other ways to steal money from us, these are the ones that have come up during actual reviews and some of them are more common than others. The basic thing to remember is if you suspect a problem, these might be places to start looking. Some thieves will be less careful than others and therefore easier to detect.

II. THEFT RESOLUTION PROCEDURES FOR SENESCHALS AND EXCHEQUERS

These procedures should be used as soon as a theft is suspected. Please remember that a lot of what look like thefts are actually bad bookkeeping procedures or failure to comply with stated procedures and timeframes for a variety of reasons. Malfeasance (thefts) is intentional; misfeasance is not. Also included are situations where the money was removed and later replaced before the irregularity was detected.

If a branch Seneschal or Exchequer suspects a theft from a branch account or any other fiscal wrongdoing, they should immediately report it to both the Kingdom Seneschal and the Kingdom Exchequer. Kingdoms can determine whether they want Principality/regional officers in the reporting chain or not in these matters. Immediate reporting to the Kingdom officers applies whether the person involved is an officer, an Event Steward, or a beloved peer—all financial irregularities must be reported immediately. The Kingdom officers or their deputies will confirm whether a theft has occurred. Do not have branch officers try to confirm whether a theft has occurred or try to negotiate with the person involved, because this can muddy the waters if a criminal or civil suit becomes necessary. In fact, please warn branch officers not to contact a person suspected of theft unless directed to by the Kingdom Officers.

If a Kingdom Seneschal or Kingdom Exchequer suspects a theft, these procedures also apply. Please keep in mind that both of these offices will be involved throughout this process, so both should be involved from the beginning. Good communication between the Seneschal and Exchequer is critical in this situation. Each must know what the other has done or is doing at all times when there is an investigation. Do not assume that the other officer is being kept in the loop by anyone else.

C. For amounts under \$250:

If the amount is minimal, it may not be possible to press charges or even file a police report. However, we must try to file a police report.

1. Report

The suspected theft should be reported to the Kingdom Exchequer and Kingdom Seneschal immediately. The branch officers should not contact the person implicated. It is not unusual for the group to think at first that there has been a simple error—as long as that is the case, speaking with the person involved is permissible. However, if it is clear from the start that the problem is theft rather than error, do not voice those suspicions to the suspected thief. If the suspect has been spoken to, be sure to let the Kingdom Officers know.

2. Verify

The Kingdom Exchequer or their deputy will verify whether the suspected theft has occurred, either by reviewing the documentation provided by the group or by performing an independent investigation. If the Kingdom Exchequer is satisfied that there has been a theft (rather than an error in bookkeeping), they will work with the Kingdom Seneschal to

resolve the matter. If the matter is due to bad financial procedures, administrative sanctions may be applied, and the process stops here.

3. File

The Kingdom Officers will direct the branch Seneschal (as legal representative) and Exchequer (as financial officer) to file a police report with the appropriate jurisdiction. State to the authorities that the SCA does not wish to press charges at this time, but wishes to make a report in case further investigation turns up additional problems. Obtain a copy of the report when it is available and keep it with the documentation of the case. If the local jurisdiction won't file a report for any reason, make and sign a note that you did speak with the authorities, including names, titles and dates.

4. Contact

The Kingdom Officers acting together will contact the person involved regarding their investigation, and give the person the opportunity either explain why the suspicions are unfounded or incorrect, or to replace any stolen money/equipment. Note that a simple denial of guilt is not a sufficient explanation.

5. Wrap up

Once the Kingdom Officers are satisfied that a theft has taken place, they should include a full accounting of what occurred in a report to their Society superior officers and confer with the Crown about appropriate sanctions. Depending on the circumstances, this may include administrative sanctions, banishment at some level and/or a request for revocation/denial of membership.

D. For amounts between \$250 and \$1000:

If the amount is moderate, it may still not be possible to press charges, but we should be able to file a police report.

1. Report

The suspected theft should be reported to the Kingdom Exchequer and Kingdom Seneschal immediately. As above, the branch officers should not contact the person implicated.

2. Verify

The Kingdom Exchequer or their deputy will verify whether the suspected theft has occurred, also as above. If the Kingdom Exchequer is satisfied that there has been a theft, they will work with the Kingdom Seneschal to resolve the matter. If the matter is due to bad financial procedures, administrative sanctions may be applied, and the process stops here.

3. Report Higher

Once the Kingdom Officers are satisfied that a theft has taken place, they should inform their Society superior officers immediately by phone or email, giving a complete report of what has occurred. The Society officers will oversee subsequent steps.

4. File

The Kingdom Officers will direct the branch Seneschal and Exchequer to file a police report with the appropriate jurisdiction, again as above. Obtain a copy of the report when it is available and keep it with the documentation of the case.

5. Contact

The Kingdom Officers acting together will contact the person involved regarding their investigation, and give the person the opportunity either explain why the suspicions are unfounded or incorrect, or to replace any stolen money/equipment. Note that a simple denial of guilt is not a sufficient explanation.

6. Wrap up

Once the Kingdom Officers are satisfied that a theft has taken place, they should include a full accounting of what occurred in a report to their Society superior officers and confer with the Crown about appropriate sanctions. Depending on the circumstances, this may include administrative sanctions, banishment at some level and/or a request for revocation/denial of membership.

E. For amounts above \$1000:

If the amount is large, it may still not be possible to press charges, but we should try. In some cases, amounts as little as \$500 is a felony offense. We should be able to at a minimum file a police report.

1. Report

The suspected theft should be reported to the Kingdom Exchequer and Kingdom Seneschal immediately. As above, the branch officers should not contact the person implicated.

2. Verify

The Kingdom Exchequer or their deputy will verify whether the suspected theft has occurred, also as above. If the Kingdom Exchequer is satisfied that there has been a theft, they will work with the Kingdom Seneschal to resolve the matter. If the matter is due to bad financial procedures, administrative sanctions may be applied, and the process stops here.

3. Report Higher

Once the Kingdom Officers are satisfied that a theft has taken place, they should inform their Society superior officers immediately by phone or email, giving a complete report of what has occurred. The Society officers will oversee subsequent steps.

4. File

The Kingdom Officers will direct the branch Seneschal and Exchequer to file a police report with the appropriate jurisdiction, again as above, as well as investigate what is necessary to press charges. If, for any reason, the branch should not be involved in filing the police report, the Kingdom Officers will report the theft to the police. Obtain a copy of the report when it is available and keep it with the documentation of the case. Remember to stress that the SCA will work with the police in any necessary investigation.

Do not wait indefinitely for the police to decide on whether or not they will prosecute a particular case. Call them regularly if it is necessary, and make it clear to the officer in charge that the SCA would like rapid prosecution if possible.

5. Keep the Society Officers informed

Once the Kingdom Officers are satisfied that a theft has taken place, they should include a full accounting of what occurred in a report to their Society superior officers and confer with the Crown about appropriate sanctions. Depending on the circumstances, this may include administrative sanctions, banishment at some level and/or a request for revocation/denial of membership.

6. Contact

Only if and when the police think it is appropriate, the Kingdom Officers acting together will contact the person involved regarding their investigation, and give the person the opportunity either explain why the suspicions are unfounded or incorrect, or to replace any stolen money/equipment. Note that a simple denial of guilt is not a sufficient explanation.

7. Legal Assistance

As soon as possible, have your Kingdom Exchequer (after consulting with the Society Exchequer), consult with a local attorney to get their opinion on possible courses of action. Many SCA members who are attorneys will take a case like this on a pro bono (without charge) basis, or can refer you to another attorney who may donate all or part of his time. If the police decline to prosecute, or if recovery of funds can happen only with a civil action, a suit may have to be filed. Most likely, this will be a Small Claims Court action, but that will vary by state. Remember that SCA policy is to pursue redress in all cases of theft—see Corporate Policies VII. If a pro bono attorney cannot be obtained, the Kingdom may have to pay for legal services.

8. Keep the Society Officers informed

Make sure that you update the Society Seneschal and Exchequer weekly on any updates, even if there is no update. Copies of all documentation should be sent to both the Society Seneschal and the Society Exchequer. The Society Seneschal will be dealing with any banishment or revocation/denial issues, and the Society Exchequer may need to interpret financial documents for the Board and may be called as a witness in any trial, especially for information about any internal fiscal investigations.

9. Request Information on Internal Sanctions

Once either a criminal or civil procedure is underway, ask the police liaison or the attorney if the SCA can implement banishment and revocation/denial procedures—in other words, ask them if the SCA can remove the suspected thief from our club without imperiling any investigation. Follow their advice in terms of what steps to follow. Call or email your Society superior officers to let them know what the police/attorney recommends as soon as possible.

10. Follow the Case Resolution

If prosecution or court action is decided against, whether because of expense, because the evidence is compromised, or for any other reason, the Kingdom Officers should contact the Society Officers and discuss contacting the suspected thief regarding their investigation (as above).

11. Wrap up

Once any legal action has been concluded, if this has not already been done yet, the Society Officers will direct the Kingdom Officers to confer with the Crown about appropriate sanctions. This will include a request for absolute banishment and revocation/denial of membership.

F. Higher Level Branches

Adjust all these procedures as necessary if the theft is on the Principality/Regional or Kingdom level. If the Kingdom Seneschal or Kingdom Exchequer suspects that a Crown is misappropriating funds, call both the Society Seneschal and the Society Exchequer immediately. If a Kingdom Seneschal suspects a Kingdom Exchequer, or vice versa, call the Society Seneschal and the Society Exchequer immediately.

CHAPTER 13: UNIFORM SANCTION PROCEDURE

It is extremely important that you inform the Kingdom Seneschal and the Kingdom Exchequer of a potential sanction as early in the process as possible so you can understand the steps that must be taken to impose the sanction. Without proper documentation and notification, sanctions can and will be overturned by the Board of Directors or Superior Officers. Remember too, that a sanction without merit or unfairly imposed will be lifted, and the Royalty and/or officer that imposed it may be subject to sanctions.

The requirement that sanctions be imposed for “just and stated cause” means that the cause for all sanctions must be documented, and made known to the proper people in a specific order. Regardless of the type of sanction, it is your job to ensure that all sanctions imposed in your branch are properly documented, and that all required steps are completed when a sanction is imposed.

I. TYPES OF SANCTIONS IN CORPORA

Corpora, Section X: Sanctions defines two types of sanctions: “Royal Sanctions” that can be imposed by Royalty, and “Administrative Sanctions” that can be imposed by Officers. In all cases, sanctions must be for “just and stated cause”, and the restrictions applied for each type of sanction are outlined in Corpora X.

II. UNIFORM SANCTION PROCEDURE

Whenever a situation occurs that may qualify for a sanction as described in Corpora X., six steps must be followed: Mediation, Justification, Implementation, Notification, Review, and Appeal. These steps remain the same no matter what level of the Society is imposing sanction on a participant. The only thing that differs is the nature of the restrictions that apply for sanctions at each level, and the type of review required.

In all cases, the Kingdom Seneschal must be informed and copied on all documentation. The Kingdom Seneschal is responsible for making sure that all proper procedures have been followed when applying sanctions. This is for everyone’s benefit.

A. Mediation

In all cases except the most severe breaches of Society Governing documents and policy, mediation can often lessen the level of sanction required. Administering parties are advised to attempt to resolve issues at the lowest level possible. It is also important that attempts to mediate the issues at hand be documented as they are attempted.

B. Justification

There must be a just and stated cause for any sanction. This cause must be documented in writing, along with any substantiating written evidence that is available. Before any officer imposes a sanction, justification should be clear and present. When a history of attempts to mediate an issue have been unsuccessful, documentation of the efforts made to resolve the issue, and the participant’s role in those mediation attempts may be an important part of the just and stated cause for a sanction.

C. Implementation

The following rules must always be followed when implementing a sanction.

1. Under no circumstances should the cause for the sanction ever be announced in a court or published in any branch publication.
2. Administrative sanctions are not published in branch newsletters or in courts.
3. A ban from office or position (such as gate staff/equipment deputy) that lasts beyond a single event must be published to the Kingdom Exchequers and Kingdom Seneschals to ensure enforcement if the sanctioned party moves to another Kingdom.
4. The Kingdom Seneschal must be kept informed of all pending actions relating to a sanction in order to ensure that all required steps are taken. This protects the sanctioning officer from mistakes that could invalidate the sanction.
5. Documentation supporting the sanction will be collected and organized into a packet for the review either before the sanction is imposed, or immediately thereafter. This documentation is to be stored for at least seven years, and depending on the length and severity of the sanction, possibly permanently.

D. Notification

Notification of the sanction must be made to the sanctioned individual and all required SCA officers in writing within ten business days. **Notification of the sanctioned individual must be documented via the use of return-receipt mail or shipping receipt.**

1. A Society Officer issuing an Administrative Sanction must inform as to the specific cause and occasion of the sanction:

- The sanctioned individual,
 - The Kingdom Seneschal, the appropriate Kingdom Officer and the Crown of the realm of the sanctioned individual, and
 - The appropriate Board Ombudsman.
2. A Kingdom or Principality Officer issuing an Administrative Sanction must inform as to the specific cause and occasion of the sanction:
 - The sanctioned individual,
 - The Kingdom Seneschal,
 - The officer's superior at the Society or Kingdom level, and
 - The Crown or Coronet as applicable.
 3. A Branch Officer issuing an Administrative Sanction must inform as to the specific cause and occasion of the sanction:
 - The sanctioned individual,
 - The Kingdom Seneschal,
 - The appropriate Kingdom Officer,
 - The branch officer's immediate superior if that isn't the Kingdom Exchequer, and
 - In the case of Baronial or Canton Officers, the Baronage must be informed as well.

E. Review

Within thirty business days of the sanction being imposed, a packet including justification and proof of notification must be provided to the reviewing authority defined in Corpora for that type of sanction. The reviewing authority will document their decision in writing to the imposing authority and the sanctioned individual.

1. Administrative Sanctions at the branch, Principality, or Kingdom level will be reviewed by the superior officer upon receipt of notification. If a sanction is determined to be without merit or has been unfairly imposed, the sanction will be lifted and the officer that imposed it may be subject to sanctions. A decision may be appealed to the next person up the chain of command, following the appropriate procedures of that office.
2. The Board will not automatically review Administrative Sanctions; however, members may appeal an Administrative Sanction to the Board as provided in Corpora I.C.3. If upon appeal the Board determines that a sanction is without merit or has been unfairly imposed, the sanction will be lifted and the officer that imposed it may be subject to sanctions.

F. Appeal

Appeals may be made by sanctioned individuals, beginning with the next level up the chain of office. It is not acceptable to bypass levels of office in problem resolution.

Reviewing an appeal means that the reviewing officer must:

1. Read all the documentation provided,
2. Make sure that all required steps were taken to resolve the situation before imposing the sanction,
3. Make a list of questions (if any), get them answered, and
4. Include the list of questions, answers, and who provided the answers to the appeal documentation **before** rendering a decision on whether to uphold the sanction. The decision whether to uphold or overturn the sanction must also be documented in the files so that if another higher appeal is filed, the lower decision process is part of the next level's review.

III. ADMINISTRATIVE SANCTIONS

Administrative sanctions may be appropriate when negotiations, discussions, and working with people cannot prevent a disruption to SCA branch activities. As stated earlier, documentation of attempts to mediate issues with the sanctioned individual can be an important part of the justification for an administrative sanction.

A. Types of Administrative Sanctions Available

Kingdom Exchequers can impose limitations that inhibit or prevent participation within SCA branch functions in a general or specific way, up to the length of their tenure in office. Branch Exchequers may also impose limitations that inhibit or prevent participation with branch functions, but only for specific instances. These limitations can be:

1. Removal of financial responsibility for a single event, meeting, practice, or gathering.
2. Termination of a warrant of office under the jurisdiction of the Exchequer chain. It should be noted that gate staff and deputies for equipment tracking are in this chain.
3. Ban from holding a particular (or any) office or position in the Exchequer chain (either for a term or permanently).

B. Duration of Sanctions

1. Branch Exchequer

A Branch Exchequer may not impose a sanction lasting longer than a single event, practice, meeting, or gathering. If the matter requires a more long-term solution, it should be referred up to the Principality or Kingdom Exchequer for

action. The sanction must be in accordance with Corpora X.B Administrative Sanctions, the Uniform Sanction Policy in the Society's Seneschal Handbook, and the Uniform Sanction Procedure outlined above.

2. Principality/Kingdom Exchequer

Officials at this level may invoke sanctions, either as a single instance, or as a longer-term effect. The sanction must be in accordance with Corpora X.B Administrative Sanctions, the Uniform Sanction Policy in the Society's Seneschal Handbook, and the Uniform Sanction Procedure outlined in this document.

3. Society Exchequer

The Society Exchequer may invoke sanctions as described above, but will use the following guidelines in determining a measured response to a situation.

- a. Chain of Command will be used to determine whether the matter can be satisfactorily resolved at a lower level. If so, it will be referred down the chain.
- b. Permanent or long-term bans will only be used in response to a severe breach of the Governing Documents or Society Financial Policy.

GLOSSARY OF TERMS

1099 Form: A form required by the U.S. IRS to document earnings greater than \$600 per year for an individual.

501(c)(3) organization: A designation of tax-exempt educational charitable organization used by the U.S. IRS. Libraries, schools, and museums are all examples of 501(c)(3) organizations.

Account Register: The log into which every transaction of an account is recorded. This may be in the form of a personal checkbook register, or in a larger notebook register with detailed receipt stubs or carbons. Sometimes this is kept in electronic format in a spreadsheet or using an accounting or money management software application.

Accumulated Depreciation: The total reduction in cost over time of an item due to normal wear and tear. We only track depreciation on items purchased after January 1, 1996 with initial cost of at least \$500.00. (Items that cost less than \$500.00 each do not depreciate; their cost is reported in the year in which they are purchased. Items purchased before January 1, 1996 are reported if the initial cost was at least \$100.) When the total of the accumulated depreciation reaches the initial cost of the item (often termed the historical cost), the item is said to be completely depreciated. The item is reported under Purchased Equipment and Accumulated Depreciation as long as the entity owns it. When the item is no longer possessed by the entity, it is removed from the books, and any cost left (not depreciated) is expensed under Released Equipment. See also Depreciation.

Asset: Cash or inventory of any value, equipment, and regalia valued at over \$500.00 held by the branch, even if fully depreciated. Items purchased before January 1, 1996, valued at over \$100, and that have been reported previously stay on the reports until the item leaves the possession of the SCA.

Activity Related Income: Income from medieval activities, such as events (see Event Income), heraldic submission or authorization fees, and demonstrations.

Audit: A formal accounting procedure for reviewing the records of an organization to ensure that proper bookkeeping procedures are being followed and that there is no evidence of fiscal irresponsibility. The Society uses a trimmed down version known as Review of Books.

Audit Trail: A set of documents, such as deposit slips, receipts, or bank statements, which traces the flow of cash or cash equivalent through an account or records system.

Bad Check: A check returned to the bank as unable to be honored. There are a variety of reasons why this would happen, such as non-sufficient funds or closed account. Bad checks and any fees that are incurred are reported as Receivables.

Bad Debt: Money owed to the branch for which there is little or no chance of actual collection. The financial committee decides whether to write a Receivable off as a Bad Debt.

Bank Account: A place at a banking institution where the branch stores its funds.

Bank Service Charge: A fee charged by the bank that holds the branch's account, often charged for low balance, excessive activity, writing or depositing bad checks, or just as a way to offset administrative costs.

Branch: The geographic or institutional locations of the Society for Creative Anachronism, Inc. as defined by Corpora, Section III. These include Kingdoms, Principalities, Provinces, Baronies, Shires, Cantons, Colleges, Strongholds and Ports.

Cash: Money held in cash funds (paper and coin), checks not yet deposited to the branch account, and cash held in non-interest bearing accounts.

Cash Earning Interest: Money held in accounts that earn interest, including NOW and savings accounts and certificates of deposit.

Castellan: Person in charge of newcomers. Usually keeps loaner garb and feast gear for events.

Chancellor of the Exchequer: The financial officer of a branch, guild, or other entity. This office is required in Corpora Article III.C. Commonly shortened to Exchequer. Also known as Reeve in Meridies, although Reeve in Caid means someone who is going to be baron of a landed barony.

Change Fund/Change Account: Cash used to make change in a cash box. It starts at X dollars, and ends at X dollars. No payments are to be made from a cash box at any time.

Chatelaine: Person in charge of newcomers. Usually keeps loaner garb and feast gear for events.

Chronicler: The person who is in charge of putting out a regular newsletter for a branch or guild.

Comparative Balance Statement: A form comparing assets and liabilities at the beginning and end of a period of time.

Corporate Resolution: A document that states that the corporation allows some action to be taken - like approval of opening a bank account.

Cost of Goods: The amount paid for the raw materials that went into the inventory. "Raw" in this case simply means what was purchased to make the inventory; this may be finished items such as T-shirts or books.

Cost of Goods Sold: The adjusted cost of goods for items sold over a period of time. Adjusted in this case means that the total cost of goods is spread over the items actually to be sold. This means that selling one item for the adjusted cost of goods during a period of time helps pay for other items that are given away or discarded.

Deduction: UNITED STATES: Charitable contributions of \$250 or more made to the SCA, Inc. must be documented by a written acknowledgement from the SCA in order to be deductible. Cancelled checks are no longer sufficient substantiation of donation. Donations made on different days aren't aggregated for purposes of applying the \$250 limit. It is the donor's responsibility to obtain this proof.

Required information on receipts include: date; who got the donation; who gave the donation; if the donation was cash, the amount; if the donation was an item, a description (value is not required); any benefits received in return for the donation; and the name, address, and signature of the person who made out the receipt.

The donor is responsible for providing the value for any non-cash donations. We are responsible for providing the value of any benefits received in consideration for this donation. For example, if someone donates \$50 in an auction to sit at head table, the feast ticket fee (\$10) is the amount of the benefit received, so the actual contribution is \$40. Contributions of equipment valued \$5000 or more have special rules. The IRS will require an appraisal. Please consult with the Society Exchequer before accepting any donation to the SCA of amounts greater than a few hundred dollars.

Demo: (Demonstration) A display of the activities of the Society for the general public and potential members. Some branches customarily receive payment for demos.

Depreciation: A reduction in the cost of an item, offsetting the original (or historical) cost, due to normal wear and tear. Depreciation reduces the total value of an item as an asset of the branch. Depreciation only applies to items, purchased after January 1, 1996, that are valued individually for at least \$500.00. Items purchased before January 1, 1996 that are valued for at least \$100 and have been reported previously continue to be reported until the item leaves the possession of the SCA. Depreciation is cumulative from year to year and will eventually reduce the total cost of an item to zero. When this occurs, still report the fully depreciated asset as long as the item is owned. The item isn't necessarily broken or worn out, and may in fact have years of service left, but is now considered to be worthless as an asset. See also Accumulated Depreciation.

Deputy: Assistant officer. Can be assigned a specific duty, or can just be a general helper.

Direct Contributions: Income raised from various sources not connected to an event, such as fund-raising, inventory sales, newsletters, or inter-branch transfers. Examples include payments for demos, heraldic submission fees, values of donations-in-kind to the branch, income from sales of equipment or equipment not listed as inventory (such as feast equipment owned by the branch), or simple donations to the branch from members.

Documentation: (not the A & S variety!) Receipts from transactions, such as depositing funds in a bank account or being reimbursed for expenses.

Domesday Report: The year-end report of the financial activities of the branch, prepared on the forms supplied by the Kingdom Exchequer and returned with any other required reports or documentation.

Donation-in-kind: Donation of items such as books, costumes, etc.; valued at Fair Market Value.

Dormant branch: A branch that has no assets and is not engaging in any activity, either due to lack of population or lack of interest.

Earl Marshal: Kingdom-level Knight's Marshal. See Knight's Marshal.

Equipment Rental and Maintenance: Rental is fees paid for the temporary use of any items used to conduct a meeting or event. Maintenance is costs of supplies to clean or fix owned or rented equipment.

Event Income: Income from prepaid reservations for an event or at the gate in on-the-spot payments for site and feast fees.

Event Report Form: A form used to summarize income and expenses for an event. Each Kingdom has their own versions of this report that they require.

Event Steward: Person in charge of organizing an event. Considered a deputy branch Seneschal for the planning and execution of the event. Also known as Autocrat in some places.

Exchequer: Technically, the account in which the funds of the branch are stored, not the person who administers the funds, although the two terms have become interchangeable. See Chancellor of the Exchequer.

Expense (noun): Anything the branch spends money on that individually costs less than \$500.00. (More expensive items are depreciated.)

Expense (verb): To report on the expense statement the cost of an item that the branch purchases that is valued at less than \$500.00.

Fair Market Value: (FMV) The amount which an independent (sane) non-SCA third party would pay if they were going to buy the item from you.

Full-Status Branch: A geographic branch recognized by the Board of Directors. They may sponsor other incipient branches.

Fund-raising: Non-medieval activity in order to generate donations. The SCA uses two categories, Internal and External. The audience defines these two kinds of Fund raising -- either members of the organization (at events), or the general public (not at events).

Gate: The place where people check in for an event. Sometimes refers to the people working at the gate of an event (including the reservations coordinator), or the job they perform, involving handling of money and completed forms. Also known as Troll in some kingdoms.

General Public: All people, whether or not they know of or participate in our activities.

General Supplies: Items purchased for the branch that do not fall easily into other categories: first aid kits, list ropes, masking tape, cleaning supplies, etc.

Gold Key: Person in charge of loaner garb. See Chatelaine.

Guild: A group of people dedicated to the study of one or more subjects. Guilds are sometimes officially recognized by kingdoms, allowing them to appoint a Chancellor of the Exchequer and hold funds.

Herald: Person in charge of all heraldic activities for a branch. A Seneschal, an Exchequer, and one of a Knight's Marshal, a Herald, or an Arts/Sciences officer are the minimum required officers in branches by Corpora article III.C.

Historical Cost: The cost of an item at the time of purchase.

Honorarium: (pl. Honorariums or Honoraria) Optional fees paid for a service done for the Society. An example would be a guest speaker at a Collegium.

Hospitaller: Person in charge of newcomers. Usually keeps loaner garb and feast gear for events. Sometimes called Chatelain(e).

Household: A group of people joined by some common bond, either friendship or dedication to a common purpose. Households are not officially recognized by kingdoms, and may not hold funds in the name of the SCA.

Incipient Branch: A geographic branch recognized by the kingdom, but not the by the Board of Directors. Incipient branches may never open their own bank accounts. From your point of view, the only difference between Full status

and Incipient status is that Incipient status branches need to have a Full status branch handle all their finances for them. Any funds they claim ownership of are held and administered in trust by a sponsoring full-status branch, and subject to that sponsoring branch's financial policy.

Income: Assets received by the branch, either as a transfer, donation, payment for services that the branch renders, improvement of value of an asset, or as a result of a sale.

Income Statement: A recounting of all of the income and expenses of a branch during a period of time.

Inurement (also called Personal/Private Benefit): A transaction or exchange where an individual or group of individuals obtains financial gain or discounted services through the use of funds or assets of a charitable organization, that they would not normally be entitled to and which are not offered to others. The Internal Revenue Code prohibits the use of charitable organization funds for private or personal benefit. Specific examples of inurement are not easy to define, and must be determined on a case-by-case basis. Some actual examples that were determined to be inurement are: The College of Heraldry paying for heraldic submissions for members of the Chivalry; a group paying to repair the engine of a member's truck after it failed while hauling the regalia trailer; a group paying to replace a member's printer that was sometimes used for printing SCA items; a party sponsored by an SCA group at Pennsic, and open only to the attending Crowns. **Please note that these examples do not cover all situations of inurement.** If you think you may have an inurement issue, please consult your Kingdom Exchequer or the Society Exchequer.

Inventory: Goods held for sale by the branch. Goods obtained with a purchase of \$250 or more (items or supplies) are called Major Inventory. Goods obtained with a purchase of less than \$250 are called Minor Inventory.

IRS Tax Identification #: (see also Tax ID) The United States Internal Revenue Service assigned number used to identify all the parts, but especially the financial holdings, of the Society for Creative Anachronism, Inc. The Tax ID for the Society is 94-1698556.

Knight's Marshal: Person in charge of all martial activities for a branch. A Seneschal, an Exchequer, and one of a Knight's Marshal, a Herald, or an Arts/Sciences officer are the minimum required officers in branches by Corpora article III.C.

Liability: Any amount that the branch is responsible for paying, as a result of a sale, unfulfilled obligation or debt such as an unused feast ticket, or money held belonging to another branch.

MACRS (Modified Accelerated Cost Recovery System): Use for depreciating assets bought since 1987. With the MACRS method, assets are depreciated as follows: computers and their peripherals = 5 years; typewriters, copiers, and calculators = 5 years; all other furniture and equipment = 7 years. The chart can be found in Chapter 5, and on the **Depreciation Detail form**.

Major Inventory: Inventory which is itemized on the financial reports. Major Inventory costs more than \$250 per lot initially and is sold until gone.

Minister of Arts and Sciences: Person in charge of organizing and reporting all continuing education and research into artistic and/or scientific activities for a branch. A Seneschal, an Exchequer, and one of a Knight's Marshal, a Herald, or an Arts/Sciences officer are the minimum required officers in branches by Corpora article III.C.

Minister of the Exchequer: See Chancellor of the Exchequer.

Minor Inventory: Inventory which is **not** itemized on the financial reports. Minor Inventory costs less than \$250 per lot initially and is sold until gone.

Negative Report Form: The report form that applies if your branch is new and doesn't have any assets, if some other SCA branch or non-SCA institution is holding your assets for your branch, or if your branch is dormant.

Net Income: The total change in your branch's net worth for the period (income minus expenses). Note that net income can be and often is negative, i.e. your branch lost money during that period.

Net Worth: The total value of your branch's assets; this is assets minus liabilities.

Newsletters: Publications of any entity, including Kingdom Newsletters, Principality Newsletters, Regional Newsletters, Guild Newsletters, and Branch Newsletters.

Newsletter Subscriptions Due: Also called the Subscription Liability. If the newsletter stopped publishing today, this is the amount that the branch would need to return to newsletter subscribers as a refund.

Non-cash Assets: Equipment and other items having an individual purchase price equal to or more than \$500.00, or inventory of any value.

Non-depreciable assets: Items purchased after January 1, 1996, worth less than \$500 each. Items purchased before January 1, 1996, and worth less than \$100 are also non-depreciable assets. See Depreciation.

Occupancy: The use of rented or leased space to hold an SCA function. This includes hotel charges.

Payables: Specific items owed to others, such as unpaid refunds, or un-reimbursed receipts.

Petty Cash: Perpetual cash on hand with an undefined purpose, kept in cash (paper and coin) form for convenience. This type of fund is not allowed, as all funds should be either deposited quickly, or is dedicated for a specific purchase as a cash advance, and has to be reconciled within 60 days. A variance to maintain a cash account may only be granted by the Kingdom Exchequer who must register it with the Society Exchequer. Contact the Kingdom Exchequer for more information.

Populace: The people in your branch or guild whose money is entrusted to your keeping.

Pre-Incipient Branch: (also proto-incipient) A forming branch of the Society, not yet recognized by the Kingdom or the Board of Directors. These loosely organized groups may not hold funds in the name of the SCA. Any funds they claim ownership of are held and administered in trust by a sponsoring full-status branch, and subject to that sponsoring branch's financial policy.

Printing and Publications Expense: Expenses involved in the production of the branch newsletter or materials for the branch, including reports, announcement fliers for members and recruitment posters, fliers and forms.

Prizes: Items or services donated to the winner of a competition; if the value is more than \$600 and the recipient is a US resident, the value reported to the US IRS as income.

Program Service: See Activity Related Income.

Equipment: Assets that the branch holds, excluding regalia, costing at the time of purchase after January 1, 1996 more than \$500.00, or before January 1, 1996 more than \$100. Regalia does not depreciate, but retains the cost at which it was purchased. Equipment depreciates normally. (Items costing less than \$500.00 are expensed for the period). For example, a computer system owned by the branch is equipment, and depreciates, but a box of cassettes for dance music is expensed for the period.

Pursuivant: Another term for branch Herald. See Herald.

Quarterly Report: A three-month report of the financial activities of the branch, prepared on the Financial Report Packet, found at www.sca.org on the Society Exchequer's web page.

Real Estate: A form of property involving land.

Receivables: An amount of money owed to the branch for a service rendered or goods transferred for which payment has not been received. Typical examples are advances of funds and bad checks.

Receipt: A physical verification of a transaction; used to help create an audit trail.

Reconciliation: A comparison of the bank's statement against your account register. Included are transactions too recent to have posted to the bank statement, such as un-cleared checks or deposits, as well as items that do not appear in the register, such as service fees. If the bank's account balance, adjusted by the amount of un-posted transactions, equals the balance in your account register, you are said to be in balance with the bank.

Reeve: See Chancellor of the Exchequer.

Refund: Refunds are frequently required when members cannot use the services that are pre-paid, resulting in a liability for the branch to return the pre-payment. This repayment (the refund) is a separate line entry under *Adjusted Gross Event-Related Income* on the **Income Worksheet - Page 2**.

Regalia: Assets that are used by the Royalty or Baronetcy in the performance of the office, such as crowns and coronets, banners, seals, garb, thrones, etc. Regalia does not depreciate.

Reimbursement: Repayment, upon presentation of a receipt, to a member for an allowable expenditure. Reimbursements are not to occur without the accompanying receipts and branch approval.

Removed Assets: Regalia and equipment no longer held by the branch. Remove from the reports an item already reported as either Regalia or Purchased Equipment that the branch no longer can use. Some common reasons for this are equipment breakage or damage, loss or theft, normal wear and tear to the point of being unusable, and sale, trade, or donation out of the branch.

Reported Inventory: Inventory with a purchase price (items or supplies) > \$250. Inventory with purchase price under this limit is expensed under Supplies - Activity Related, and the income from sale is reported under Other Sales Income.

Reservations: A reservation is a payment sent in before an event to pre-pay for services at the event, such as site and/or feast fees.

Revenue: See Income.

Review of Books: The process used to physically examine the financial status of an SCA branch or other entity. Not as comprehensive as an accounting audit.

Revolving Account: A checking account that works like petty cash. A fixed amount (say \$200) is deposited, and checks are written out of that account for small, routine expenses. Each month or when the balance gets low, receipts for the checks written are turned in to the Exchequer for reconciliation, and a transfer of funds is deposited into the account to bring it back up to full. This fulfills the requirement for having cash in a bank and disbursements by check, and allows for a limited risk account for use, perhaps by a chronicler so that they do not have to pay publication costs out-of-pocket, and wait for a reimbursement.

Seneschal: The legal representative of the SCA in a branch.

Signatory (also signer): A person or entity legally entitled to draw on a bank account.

Sponsor: A branch that assists an incipient branch in hosting an event. Incipient branches must have the sponsorship of a full status branch to hold events. See Chapter 8, III.B for more information.

Stale (dated) check: A check dated more than 6 months in the past. Most banks will refuse to honor a stale-dated check.

Subsidiary Branch: A branch that has its assets held for it by another SCA branch.

Suspension: The inability to hold SCA-sanctioned events, meetings, or practices of any kind. Usually imposed by the Kingdom Seneschal for non-reporting.

Tax ID: The FEIN (Federal Employer Identification Number) for the Society is 94-1698556.

Transaction: An exchange, usually a transfer of money between a bank and the account holder. All transactions between the Exchequer and the bank should be recorded immediately in the account register.

Treasurer: Financial officer. See Chancellor of the Exchequer.

Troll: Sometimes known as Troll Booth. See Gate.

Warrant: A document that grants official status to perform duties of the office; signed by the Kingdom Exchequer and the Crown.

Year-end Report: See Domesday Report.