



# CHAPTER FINANCES OPERATIONS

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# OVERVIEW

As a nonprofit, mission-driven organization, AMPP and its local Chapters must use their funds to support programs and efforts that advance AMPP's mission as a global community of professionals dedicated to materials protection through the advancement of corrosion control and protective coatings.

This toolkit is intended to provide guidance to Chapter leaders as to how funds generated by the Association's Chapters may be used and how finances should be reported. Even inadvertent misuse of the Association's funds can put AMPP at legal and financial risk, so good judgment must be exercised by those entrusted to manage the Association's resources.

A dedicated email address - [ampp.chapters@ampp.org](mailto:ampp.chapters@ampp.org) - has been set up for questions related to the Chapter's financial reporting and banking. The following staff members are assigned to that email address:

**Cindy Metzler**, *Finance Coordinator*  
[cindy.metzler@ampp.org](mailto:cindy.metzler@ampp.org)  
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**Sabrina Yohe-Mackay**, *Accounting Manager*  
[sabrina.yohe-mackay@ampp.org](mailto:sabrina.yohe-mackay@ampp.org)  
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For questions related to Chapter activities and the Treasurer position:

**Cindy Tracy**, *Chapter Engagement Senior Specialist*  
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# WHAT DOES IT MEAN TO BE A NONPROFIT?

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A nonprofit organization is a legal entity organized and operated for a collective, public, or social benefit. Although the goal of nonprofits isn't specifically to maximize profits, they still must operate as a fiscally responsible business. No part of the organization's income is distributed to its members, directors, or officers.

As a nonprofit with tax-exempt status, AMPP is required to follow specific IRS guidelines and reporting, including following specific requirements for spending and distributing funds.

## APPROPRIATE USE OF CHAPTER FUNDS

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AMPP Chapters are expected to reinvest the funds generated by the Chapter to further the mission of the association. Examples of appropriate use of funds are shared below.

### **In Supporting AMPP's Objectives and Purposes**

AMPP and its Chapters shall use its funds only to accomplish its stated objectives and purposes, which include:

- Extending the recognition of materials protection and performance as a problem requiring the attention of persons with specialized knowledge and experience.
- To ensure the availability of adequate training for workers in the field of corrosion, coatings, and materials protection.
- Promoting scientific research in the prevention of deterioration of materials and the selection of optimum materials for special application.
- Providing forums and media through which experiences with materials performance and protection may be reported, discussed, and published for the common good.
- Encouraging special study and research related to materials performance, and to develop new or improved techniques for its protection.
- Correlating study and research on materials performance and protection among technical associations to reduce duplication and increase efficiency.
- Promoting standardization of terminology, techniques, equipment, and design in corrosion control and coatings application.
- Contributing to public safety and to protecting the environment by advancing technical and practical expertise in corrosion prevention and control.
- Fostering cooperation between individual operators of plants and structures in the joint solution of common problems.

### **In Supporting AMPP's Objectives and Purposes**

AMPP Chapters may use their funds to support the objectives of the Association through local programs. In supporting local programming, reasonable administrative and promotional expenses are expected to be incurred and are permitted. Below are general guidelines and examples on how AMPP Chapter funds may be used.

## Support Member Events and Activities

The Chapter may fund activities such as committee meetings, Chapter member meetings, and Chapter trainings. Appropriate expenses include:

- Refreshments and meals for meetings
- Space Rental
- Marketing of the Chapter event/meeting
- Rental of Audio-Visual equipment
- General office supplies needed to conduct Chapter business and meetings

## Recognition of Chapter Members and Volunteers

- Plaques and certificates to recognize and thank volunteers
- Donations in a volunteer's name to the AMPP Legacy Tree program
- Small gifts as a token of appreciation
- Annual recognition events for volunteers

## Sponsoring Students and Student Teams

- Provision of funds for local students to participate in AMPP programs such as:
  - AMPP Annual Conference + Expo
  - AMPP Chapter Events or Meetings
  - AMPP Training
  - Sponsoring non-AMPP student programs that are congruent with AMPP's objectives and purpose

## Scholarships

- Distribution of scholarships supporting students pursuing a degree in Science, Technology, Engineering, and Math (STEM) Education are encouraged, provided that the scholarship is awarded on an objective and nondiscriminatory basis.
- No scholarship shall be awarded to an elected Chapter officer, member of the scholarship selection committee, a direct business partner of an elected Chapter Officer, or a government official.
- Family members of elected Chapter Officers are also not eligible to be recipients of any scholarships awarded by a Chapter.
- Distribution of scholarship funds may be conducted in accordance with the customs and laws of the country within which the Chapter resides provided that it is consistent with AMPP procedures, this policy, and proper financial records are kept and provided in the Chapter's annual financial report.

### AMPP Pre-Professional Program

Scholarships and sponsoring students are appropriate ways to utilize Chapter funds; however, there are still guidelines for the appropriate distribution of scholarship funds. The EMERG Student Outreach Program can assist Chapters with establishing and distributing scholarships.

Contact [EMERG@ampp.org](mailto:EMERG@ampp.org) for more information.

## Publicity Materials for Chapter-sponsored Events

- Promotional, publicity, and personal imprint items (e.g., promotional merchandise, Chapter calling cards, letterhead, and envelopes) are allowable and must follow AMPP Policies & Procedures Charter for appropriate logo usage.
- Promotional or advertising expenses associated with Chapter and AMPP educational courses, seminars, and workshops

## Administrative Expenses

- Administrative expenses such as postage, supplies, web hosting fees, and teleconference costs to support Chapter operations
- Expenses related to hosting Chapter Governing Board meetings and meetings of the general membership of the Chapter
- The Chapter may also pay an auditor to audit the financials in accordance with the respective affiliation agreement

## Travel Expenses

- Travel expenses related to conducting Chapter business
- Travel expenses related to hosting a speaker for a Chapter meeting or event

# INAPPROPRIATE USE OF CHAPTER FUNDS

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Use of Chapter funds that is not in the spirit of the Association's stated objectives and purposes is inappropriate. Examples of inappropriate uses include but are not limited to the following:

- Payment to individuals to perform Chapter work or duties defined as the responsibilities of the volunteer Chapter Officers
- Payment of membership dues for Chapter Officers
- Purchasing equipment unrelated to advancing the purpose of the Chapter
- Donation of Chapter funds to an individual (not including scholarships or awards)
- Donation of Chapter funds to religious or political/government institutions
- Donation of Chapter funds to other organizations whose mission is unrelated to corrosion prevention and coatings technology or more generally in support of the advancement of science, technology, engineering, or math

# PROHIBITION OF PERSONAL OR PRIVATE BENEFIT

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As a non-profit organization, AMPP is subject to what is known as the non-distribution requirement. This requirement forbids the use of AMPP's income or assets to directly or indirectly benefit an individual or other person that has a close relationship with the organization or can exercise significant control over the organization. As such, any AMPP members, especially Chapter Officers, who have control of the Chapter's funds may not engage in the following activities: receiving compensation for their work as a volunteer; receiving sizable cash or gifts from the Chapter; being contracted to perform work on behalf of the Chapter; and may not be reimbursed for expenses unrelated to their volunteer work. Similarly, the rules apply to family members and business partners of AMPP Chapter Officers or any other AMPP members who have access to and/or control of the Chapter's funds.

# FINANCIAL REPORTING

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All Chapters shall provide financial reporting as outlined in the appropriate affiliation agreement.

Financial reports will be requested quarterly per the timeline below. In addition to quarterly reports, AMPP may request financial data as needed per the signed affiliation agreements.

**Quarter 1 Financials** — January 1 through March 31

*Report due April 15*

**Quarter 2 Financials** — April 1 through June 30

*Report due July 15*

**Quarter 3 Financials** — July 1 through September 30

*Report due October 15*

**Year-end Financial report** — January 1 through December 31

*Final report due January 17*

Any Chapter that fails to submit their annual financial report, as required in the affiliation agreement, shall be suspended until such time that the report(s) is submitted to the satisfaction of the AMPP Finance department and AMPP Finance Committee.

# FINANCIAL BEST PRACTICES AND CONTROLS

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## Minimize or Preferably Eliminate All Cash transactions

To minimize fraud risk and improve record keeping. It is highly recommended that All Chapters implement cashless transactions and use digital payments instead. However, in those rare instances whereby cash is the only method of payment, the Chapter should arrange for two Chapter officers to accept, record, and monitor the collection and a third officer to arrange for its deposit. Cash transactions should be recorded into a journal or log to enable account reconciliation. It is important that any cash receipts be deposited into the Chapter's bank account as soon as possible, and that the Chapter Treasurer verify that the amount deposited matches the amount collected.

## Direct Purchase of Goods and Services with Chapter Funds

All Chapters should ensure that the purchase of goods or services for operations of their respective Chapters (including monthly meetings and annual events) is made directly by the Chapter funds. To the extent possible, an officer or member of the chapters should not purchase goods or services on behalf of the Chapters and be subsequently reimbursed. The only exceptions would be travel-related expenses or in case of an emergency. In those cases, an expense report, including receipts, should be presented for approval prior to being processed for payment. A Chapter expense report and receipt template is available on pages 10 and 11.

## Require and Maintain Receipts in Support of Purchases

All Chapters should keep receipts in support of purchase of goods and services for a period of five years.



## Record Keeping and Support for Gifts and Prizes

All Chapters should document and record the award of gifts and prizes over \$100 to ensure the purchase of items with the Chapter funds are being used as intended.

## Segregation of Duties in Disbursement Process

Disbursements should have at least two layers of approval before payments are issued (e.g., President and Treasurer). The individual signing should not also be the payee of the check (including an entity owned by the individual), as indicated by AMPP's check signing policy.

## Annual Budgeting and Monitoring of Receipts and Disbursements

All Chapters should prepare a financial budget each year based on actual receipts and disbursements from the prior year, as well as any additional considerations or expectations for the upcoming year. The budget should include disbursements by expense category, as well as by event. The Chapters should track and monitor expenses relative to the budget periodically throughout the course of the year.

## Balance Transfers for Payment Portals

For those chapters utilizing payment portals (i.e. PayPal, Stripe, Square, etc.) account balances over \$5,000 should be transferred to the chapters' primary checking account.

## Transaction Detail for Portal Accounts:

For those chapters utilizing Payment Portal, monthly transaction details should be maintained, including the name of the individual or entity from whom payment is received and a description of the transaction.

# CHAPTER TREASURER

The Chapter Treasurer has fiduciary responsibility to ensure that the terms of the affiliation agreement are met where financial matters are concerned. The Treasurer is accountable to the Chapter members, the Chapter Governing Board, and AMPP's Finance Committee.

Job descriptions for officer positions, including the Treasurer are located [here](#).

The treasurer position is a three-year term that may be renewed once for a maximum of 6 years. The Chapter Governing Board may elect to combine the Treasurer and Secretary positions into a single role.

Essential Duties:

- Collect, deposit, and maintain records of all Chapter funds in accordance with the Chapter affiliation agreement
- Fiduciary responsibility to ensure that the terms of the affiliation agreement are met regarding financial concerns
- Issues payment for invoices in a timely manner
- Provide ethical oversight of the Chapter funds and ensure financial reporting in accordance with the affiliation agreement
- Serve on the Chapter Governing Board as a voting member
- Submit financial reports as requested by AMPP Headquarters
- Make disbursements as approved by the Chapter Governing Board



# CHAPTER BANK ACCOUNTS

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Chapter funds shall be managed in accordance with the Chapter Affiliation Agreement.

All Chapter funds must be deposited into an account in the name of the Chapter. No Chapter funds may be deposited into an individual's personal bank account.

For AMPP hosted bank accounts, the following individuals will be included on all signature cards:

- AMPP CFO — Jennifer Colunga
- AMPP Controller— Dannish Rehman
- All Chapters and other entities, which are organized under the AMPP or AMPP Global Center EIN number(s), shall always maintain a minimum of one (1), with a maximum of three (3), Chapter or Area volunteers on their bank accounts

## AMPP Chapters in USA and Canada

The Chapter Treasurer is to contact the Finance Coordinator at AMPP Headquarters and send an email requesting the necessary changes to the Chapter's bank account(s). In the email, provide the Chapter name, and the names and titles for each person that needs to be a signer on the Chapter's bank account. The AMPP Finance Coordinator will provide the Chapter Treasurer with the necessary documentation to make the changes with the bank. Banks have different requirements and documents to complete so exact details will be supplied upon request.

## Independent AMPP Chapters (outside the USA and Canada):

Since the Chapter is independently formed in their specific country, it is the responsibility of the current Chapter officers to assist the new incoming Chapter officers with updating the Chapter's bank account(s).

## Check Signing Policy

AMPP and AMPP Global Center have an official check signing policy approved by the Board. This policy is located online and applicable to all Chapters organized under the AMPP or AMPP Global Center EIN number(s).

The policy includes procedures related to disbursements and authorized signatories. These procedures are strongly recommended guidelines for implementation by Chapters with independent bank accounts. These best financial practices will help ensure fiduciary responsibility within the Chapter.

AMPP and AMPP Global Center Checking Signing Policy can be located online under the [Chapter Officer Resources](#) page.



# AMPP CHAPTER EXPENSE REPORT

Purpose: \_\_\_\_\_ Date: \_\_\_\_\_

Officer/Member Information:

Name: \_\_\_\_\_ Position: \_\_\_\_\_

Chapter: \_\_\_\_\_

Date	Account	Description	Hotel	Transport	Fuel	Meals	Phone	Entertainment	Misc.	Total
Total										

SUBTOTAL

ADVANCES

TOTAL

Approved:Notes:

Please attach all receipts for approval. Our recommendation is that reimbursements should only be for travel-related expenses or in case of an emergency, as all chapter-related expenses should be paid directly by the chapters.

# AMPP RECEIPT

AMPP

Date:

To: [Name] 

W-9 Received\* YES ☐ NO ☐

[Company Name]

[Street Address]

[City, ST ZIP Code]

[Phone]

Payment Method	Check Number	Purpose

Qty	Item #	Description	Unit Price	Line Total	

Acknowledgement of Receipt

Signature

Subtotal

Sales tax

Total

\* You may receive a 1099-MISC, if you were paid at least \$600.00 during the calendar year for Rents, Prizes or Awards, other income payments, such as science fair awards, scholarships, instructors fees, room rental, catering, secretarial services, web design/maintenance services, etc.