



# **CHAPTER FINANCES OPERATIONS**

---



October 2022

# TABLE OF CONTENTS

Overview .....	3
What does it mean to be a nonprofit? .....	4
Appropriate use of Chapter Funds .....	4
In Supporting AMPP’s Objectives and Purposes.....	4
Support Member Events and Activities.....	5
Reconition of Chapter Members and Volunteers .....	5
Sponsoring Students and Student Teams.....	5
Scholarships.....	5
Publicity Materials for Chapter-sponsored Events .....	6
Administrative Expenses .....	6
Travel Expenses .....	6
Inappropriate uses of Chapter Funds .....	6
Prohibition of Personal or Private Benefit .....	6
Financial Reporting .....	7
Financial Best Practices and Controls .....	7
Chapter Treasurer .....	8
Chapter Bank Accounts .....	9
AMPP Chapters in USA and Canada:.....	9
Independent AMPP Chapters (outside the USA and Canada): .....	9
Check Signing Policy.....	9
Cash Counting Worksheet.....	10
AMPP Chapter Expense Report .....	11
AMPP Receipt.....	12
AMPP Chapter Budget.....	13

# 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)  
+1.281.228 6297

**Sabrina Yohe-Mackay**, Finance Coordinator  
[sabrina.yohe-mackay@ampp.org](mailto:sabrina.yohe-mackay@ampp.org)  
+1.281.228.6241

For questions related to Chapter activities and the Treasurer position:

**Cindy Tracy**, Chapter Engagement Senior Specialist  
[cindy.tracy@ampp.org](mailto:cindy.tracy@ampp.org)  
+1.281.228.6240



# WHAT DOES IT MEAN TO BE A NONPROFIT?

---

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

---

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 protect 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 of volunteers

## Sponsorship Programs for University Students

- Provision of funds to 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 and AMPP Global Center 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

---

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

---

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

---

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

---

### **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 to the Chapter's bank account as soon as possible, and that the Chapter Treasurer verifies that the amount deposited matches the amount collected. A Cash Counting sheet template is available on page 10.

### **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) are 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 11 and 12.

### **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. A Chapter budget template is available on page 13.

## Balance Transfers for PayPal Account

For those chapters utilizing PayPal, PayPal account balances over \$5,000 should be transferred to the chapters' primary checking account.

## Transaction Detail for Square Accounts:

For those chapters utilizing Square, transaction details available through their Square account 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

---

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 — Mitra Shahbaz
- AMPP Senior Accounting Manager— Jason Valenzuela
- 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 financial best 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.



# CASH COUNTING WORKSHEET

---

Date:

Event:

---

## Coins

Pennies @ \$ 0.01 =

Nickels @ \$ 0.05 =

Dimes @ \$ 0.10 =

Quarters @ \$ 0.25 =

\$ .50 piece @ \$ 0.50 =

\$1.00 piece @ \$ 1.00 =

**Total Coins**

## Currency

Ones @ \$ 1.00 =

Twos @ \$ 2.00 =

Fives @ \$ 5.00 =

Tens @ \$ 10.00 =

Twenties @ \$ 20.00 =

Fifties @ \$ 50.00 =

Hundreds @ \$ 100.00 =

**Total Currency**

**Total Checks**

---

**Total Deposit**

## Counter # 1

Print Name \_\_\_\_\_

Signature \_\_\_\_\_

## Counter # 2

Print Name \_\_\_\_\_

Signature \_\_\_\_\_

---

[illegible]

\_\_\_\_\_

\_\_\_\_\_

© 2006 The Authors  
Journal compilation © 2006 Blackwell Publishing Ltd

Approved: \_\_\_\_\_

Notes:

○ ..... 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100 101 102 103 104 105 106 107 108 109 110 111 112 113 114 115 116 117 118 119 120 121 122 123 124 125 126 127 128 129 130 131 132 133 134 135 136 137 138 139 140 141 142 143 144 145 146 147 148 149 150 151 152 153 154 155 156 157 158 159 160 161 162 163 164 165 166 167 168 169 170 171 172 173 174 175 176 177 178 179 180 181 182 183 184 185 186 187 188 189 190 191 192 193 194 195 196 197 198 199 200 201 202 203 204 205 206 207 208 209 210 211 212 213 214 215 216 217 218 219 220 221 222 223 224 225 226 227 228 229 230 231 232 233 234 235 236 237 238 239 240 241 242 243 244 245 246 247 248 249 250 251 252 253 254 255 256 257 258 259 260 261 262 263 264 265 266 267 268 269 270 271 272 273 274 275 276 277 278 279 280 281 282 283 284 285 286 287 288 289 290 291 292 293 294 295 296 297 298 299 300 301 302 303 304 305 306 307 308 309 310 311 312 313 314 315 316 317 318 319 320 321 322 323 324 325 326 327 328 329 330 331 332 333 334 335 336 337 338 339 340 341 342 343 344 345 346 347 348 349 350 351 352 353 354 355 356 357 358 359 360 361 362 363 364 365 366 367 368 369 370 371 372 373 374 375 376 377 378 379 380 381 382 383 384 385 386 387 388 389 390 391 392 393 394 395 396 397 398 399 400 401 402 403 404 405 406 407 408 409 410 411 412 413 414 415 416 417 418 419 420 421 422 423 424 425 426 427 428 429 430 431 432 433 434 435 436 437 438 439 440 441 442 443 444 445 446 447 448 449 450 451 452 453 454 455 456 457 458 459 460 461 462 463 464 465 466 467 468 469 470 471 472 473 474 475 476 477 478 479 480 481 482 483 484 485 486 487 488 489 490 491 492 493 494 495 496 497 498 499 500 501 502 503 504 505 506 507 508 509 510 511 512 513 514 515 516 517 518 519 520 521 522 523 524 525 526 527 528 529 530 531 532 533 534 535 536 537 538 539 540 541 542 543 544 545 546 547 548 549 550 551 552 553 554 555 556 557 558 559 560 561 562 563 564 565 566 567 568 569 570 571 572 573 574 575 576 577 578 579 580 581 582 583 584 585 586 587 588 589 590 591 592 593 594 595 596 597 598 599 600 601 602 603 604 605 606 607 608 609 610 611 612 613 614 615 616 617 618 619 620 621 622 623 624 625 626 627 628 629 630 631 632 633 634 635 636 637 638 639 640 641 642 643 644 645 646 647 648 649 650 651 652 653 654 655 656 657 658 659 660 661 662 663 664 665 666 667 668 669 670 671 672 673 674 675 676 677 678 679 680 681 682 683 684 685 686 687 688 689 690 691 692 693 694 695 696 697 698 699 700 701 702 703 704 705 706 707 708 709 710 711 712 713 714 715 716 717 718 719 720 721 722 723 724 725 726 727 728 729 730 731 732 733 734 735 736 737 738 739 740 741 742 743 744 745 746 747 748 749 750 751 752 753 754 755 756 757 758 759 760 761 762 763 764 765 766 767 768 769 770 771 772 773 774 775 776 777 778 779 780 781 782 783 784 785 786 787 788 789 790 791 792 793 794 795 796 797 798 799 800 801 802 803 804 805 806 807 808 809 810 811 812 813 814 815 816 817 818 819 820 821 822 823 824 825 826 827 828 829 830 831 832 833 834 835 836 837 838 839 840 841 842 843 844 845 846 847 848 849 850 851 852 853 854 855 856 857 858 859 860 861 862 863 864 865 866 867 868 869 870 871 872 873 874 875 876 877 878 879 880 881 882 883 884 885 886 887 888 889 890 891 892 893 894 895 896 897 898 899 900 901 902 903 904 905 906 907 908 909 910 911 912 913 914 915 916 917 918 919 920 921 922 923 924 925 926 927 928 929 930 931 932 933 934 935 936 937 938 939 940 941 942 943 944 945 946 947 948 949 950 951 952 953 954 955 956 957 958 959 960 961 962 963 964 965 966 967 968 969 970 971 972 973 974 975 976 977 978 979 980 981 982 983 984 985 986 987 988 989 990 991 992 993 994 995 996 997 998 999 1000 1001 1002 1003 1004 1005 1006 1007 1008 1009 1010 1011 1012 1013 1014 1015 1016 1017 1018 1019 1020 1021 1022 1023 1024 1025 1026 1027 1028 1029 1030 1031 1032 1033 1034 1035 1036 1037 1038 1039 104

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 Global Center, Inc.

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

To: [Name] \_\_\_\_\_  
[Company Name] \_\_\_\_\_  
[Street Address] \_\_\_\_\_  
[City, ST ZIP Code] \_\_\_\_\_  
[Phone] \_\_\_\_\_

W-9 Received\* YES NO

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.

# AMPP CHAPTER BUDGET

Operating Expenses			
Expenses	Estimated	Actual	Difference
Admin Fees (Banking, Website, etc.)			
Advertising/Marketing			
Awards			
Disbursements to AMPP HQ			
Disbursements to Chapters			
Dues and subscriptions			
Fundraising Event Expenses			
Insurance			
Interest			
Legal and auditing			
Meals & Catering			
Memberships			
Newsletter			
Office supplies			
Other			
Postage			
Printing			
Prizes & Promotions			
Rental Space			
Scholarships			
Shipping and storage			
Sponsorship Expenses			
Taxes			
<b>Total Operating Expenses</b>			

Income			
Income	Estimated	Actual	Difference
Contributions			
Event Revenue			
Fundraising Revenue			
Funds from AMPP HQ			
Funds from other Chapters			
Interest income			
Investment Income			
Meeting Revenue			
Other Revenue			
<b>Total Income</b>			

Budget			
Budget area	Estimated	Actual	Difference
Income			
Operating expenses			
<b>Balance (income minus expenses)</b>			