



Thank you for joining today to learn more about the SWE Annual Financial Report. We'll be discussing the parts of the financial report and how to prepare it.

Feel free to ask questions as we go along.

Key Financial Dates (EVERY YEAR)

What	Due Date
Beginning of Fiscal Year	July 1
<u>Annual Finance Report due to the Society</u>	July 30th
Membership Rebates	October
<u>IRS Tax Filings</u>	November 15th
Membership Rebates	April
Submit Leadership Report	June 30th
End of Fiscal Year	June 30th

Your Annual Financial Report must be submitted to receive your rebates & for your section to remain in good standing.


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First, I want to highlight key financial dates to keep in mind as you close out your finances for the fiscal year.

Entities are strongly encouraged to file the annual report and IRS Tax filings as soon as possible after the close of the fiscal year.

As this session is focused on the annual report, I direct you to the finance committee website for more information about Tax Filings.

The submission for the annual financial report opens each year in mid to late April. It is accessible in the leadership portal for Section Presidents and Treasurers. You may file financial report before the end of the the fiscal year, if all financial activity is complete.

Treasurer Transition

The report should be...

- Prepared by the outgoing Treasurer at the END of their term
- Reviewed with a second approving officer and the incoming treasurer.
- Finally, once approved, both treasurers can submit the report together.
- Capture a PDF or Screenshots of the submission for your section records



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Preparing and reviewing the financial report can be a great transition activity for the incoming and outgoing treasurer!

It gives both the outgoing and incoming treasurer a consistent view of the financial state of the section.

The financial report in the portal is tied to the section and not an individual user. That means the outgoing treasurer can populate information before June 30th and save the report. And then, before July 30th, the incoming treasurer can review the report for accuracy, upload the conflict of interest forms, and submit the report to the society.

What do I need to file the Annual Report?

Items needed to prepare the Annual Financial Report:

- Copy of Income and Expenses for Fiscal Year (*ledger*)
- Balances for all banking and investment accounts as well as the amount of cash on hand

Items needed to *submit* the Annual Financial Report:

- A second authorized officer to review the report
 - Authorized Approvers for:
 - Collegiate sections: President, Treasurer, Counselor, or Faculty Advisor
 - Professional Sections: President, Treasurer
 - MALs: President, Treasurer
- Signed conflict of interest forms for incoming SWE Leaders
 - Include forms for, at minimum, leaders who are Authorized Approvers
 - Copies of the Conflict of Interest Form for Leadership can be found under volunteer forms at <https://swe.org/about-swe/governance/resource-center/>



To get started you need a copy of your list of financial transactions for the year. We'll talk about categorizing each of those transactions shortly.

You'll also need the balance of any bank or investment accounts as well as the amount of cash you have on hand.

That's enough information to prepare the report.

Before you can submit it, the report needs to be reviewed by a second authorized officer.

And you'll need signed conflict of interest forms.

Annual Financial Report Inputs

Income Information


- Dues rebates income
- Scholarship donations
- Specific project donations (banquet, outreach event, etc.)
- General donations
- Interest income
- Other income
- Accounts receivable

Expense Information

- Scholarships
- Administrative expenses
- Other Expenses
- Accounts payable

Best Practice: Review the previous year's report at the beginning of the fiscal year to understand requirements for reporting by activity type.

Appropriate tracking of income/expenses throughout the year makes this form easier to complete!

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There are twelve financial values to fill out on the report.

One is the sum of all account balances and cash on hand.

And the other eleven come from these eleven income and expense categories.

Alright, so let's break out that ledger! We'll talk about each one so you can make sure each transaction in the ledger is labelled in one of these 11 categories.

Annual Report- Income

Income Information

- (1) Dues Rebate: Total amount of dues rebates you received from HQ, issued on a semiannual basis, either by direct deposit or check.
- (2) Scholarship Donations: Total of donations from companies or individual donors designated for scholarships. Funds specific to academic pursuits.
- (3) Donations for Specific Projects: Total of donations received for specific events or projects such as banquets, outreach events, professional development events, program development grants, etc.
- (4) General Donations: Total of donations received that were not given for a specific designated purpose. For example, a general donation to the section.



Scholarship donations -

Annual Report- Income

Income Information

- (5) Interest Income: Total of interest earned from accounts (checking, savings, and/or investments).
- (6) Other Income: Total of any other income received that doesn't fall into one of these categories. For example, selling t-shirts, income from events (ticket sales, registration fees), University/College grants, etc.
- (7) Receivables: Total of donations or income promised for any of the above categories that has not yet been received. For example, Company ABC commits to donate \$200 for an outreach event held in early June, but their check as not been received at the time this report is being submitted.

Annual Report- Expenses

Expense Information

- (9) Scholarships Awarded: Total of all funds distributed from the sections to endowments or individuals for scholarships specific to academic pursuits. For example, for an individual's tuition, books, and fees.
- (10) Administrative Expenses: Total of all expenses for administrative items or section management not tied to a specific project (for example officer supplies, section newsletter, non-event Thank You Gifts, ballot mailings, etc.)



One thing to note is that the Income and Expense values for Scholarships do not have to match. You can receive more or less income in scholarships than you award each year.

Annual Report- Expenses

Expense Information

- (11) Other Expenses: Total of all expenses related to programs (member meetings and social events, professional development events, outreach events, etc.) and officer travel expenses.
- (12) Payables: Total of expenses (from any of the above categories) that you have agreed to pay, have been invoiced for, or have checks written for any of the above category that haven't been cashed at the time the report is being submitted. For example, an award check has been mailed to the recipient of a section award, but it has not been cashed and has not cleared on your bank statement.



Payables & Receivables

Reminder – If something is allocated as a payable or receivable it **should not** also be allocated in another income or expense category until it is resolved (*has cleared*).

If all of your transactions have cleared, the payable and receivable categories may be zero.

If your section is using an accrual accounting method, payable and receivable categories will likely be zero.



More information about accounting methods can be found in Section IV.C of the SWE Finance Manual (excepted here).

SWE entities can select from two forms of accounting – cash and accrual. Either method may be used, as both track income and expenses. It is recommended that entities that have less than \$25,000 of income per year or have assets totaling \$10,000 or less utilize the cash method. Entities with assets/income greater than these values are advised to use the accrual method.

In the cash method, income is counted when cash, check, or credit is received and expenses are recorded when actually paid. This is real-time cash flow. When a check is received, it becomes a cash receipt. Expenses are recorded when the bills are paid.

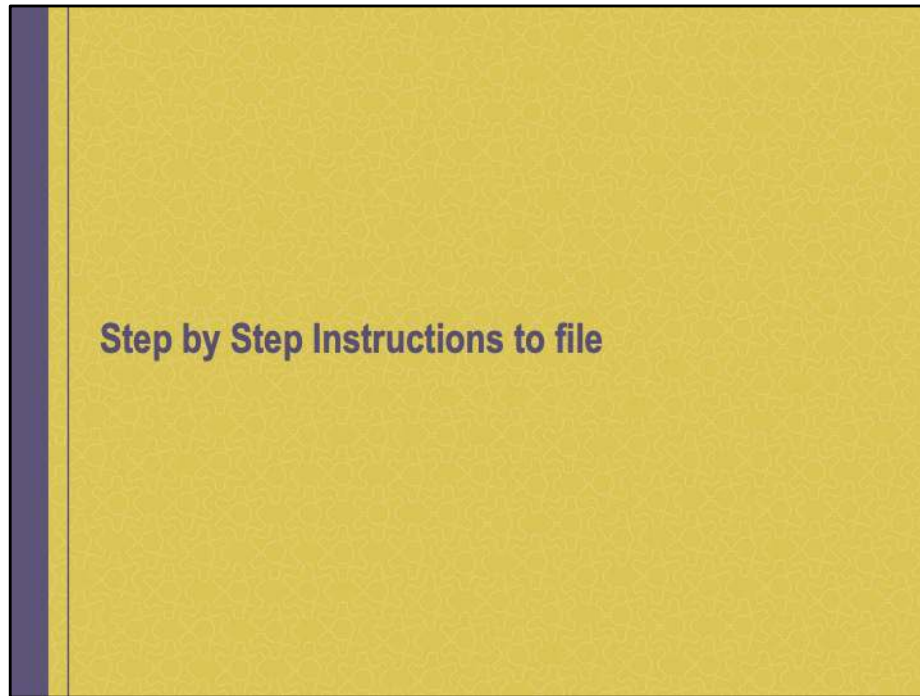
In the accrual method, transactions are counted when they happen regardless of when money is actually received or paid. So, income is recorded when it is earned, not received. Similarly, expenses are noted when actually incurred, not when the bill is received and paid. It is not necessary for cash to be exchanged.

Many SWE entities follow a modified accrual method. They primarily keep their books

on a cash basis, but incorporate accounts payable and accounts receivable as needed during the year. For example, the treasurer may set up a receivable as a reminder that someone owes \$xx for the meeting at which that person forgot to bring a checkbook. With the modified accrual method, all known payables, receivables, and the associated expenses and income are recorded before the books are closed for the fiscal year.



Calculate the sum of the items in each income and expense category. You now have all the pieces you need to fill in the values in the online submission.



Now I'll walk you through some screenshots so that you can see what it looks like to fill in the report. There is a video available on SWE's youtube channel as well. I have linked it at the end of this presentation.

Annual Report- Online Access

- Login to portal.swe.org using your SWE membership credentials.
- Click on “Leaders” tab at top of page,
- Then select “Section Financial Report” from the left menu

Section Information	
Name of Section	Chicago Regional
List of Submitted	
Name of person who Submitted	
Tax Payer ID	36-3657969
Current Financial Year	2021

Income	
Dues Rebate Income	0.00

Note: Only the President and Treasurer of a section have access to submit a financial report.

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To get to the financial report, log in to the portal and select leaders from the top of the page. On the left hand side, you can select section financial report. To begin entering values, click the edit button.

Annual Report- Section Information

Section Name
EIN (Tax Payer ID)
Current Fiscal Tax Year

Section Information	
Name of Section	Chicago Regional
Id of Submitted	
Name of person who Submitted	
Tax Payer ID	36-3657969
Current Financial Year	2021



Section information is not editable by the user.

Annual Report- Income

Income	
Dues Rebate Income	<input type="text" value="0.00"/>
Scholarship Donations	<input type="text" value="0.00"/>
Donations for Specific Projects	<input type="text" value="0.00"/>
General Donations	<input type="text" value="0.00"/>
Interest Income	<input type="text" value="0.00"/>
Other Income	<input type="text" value="0.00"/>
Receivables (Donations promised but not yet received)	<input type="text" value="0.00"/>
Total Income	0.00

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Populate the values for each income category and the total income will calculate accordingly.

Annual Report- Expenses

Expenses	
Scholarships Awarded	<input type="text" value="0.00"/>
Administrative Expenses	<input type="text" value="0.00"/>
Other Expenses	<input type="text" value="0.00"/>
Payables	<input type="text" value="0.00"/>
Total Expense	0.00
Net Income	24.00

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Populate the values for each expense category and the total expense and net income will calculate accordingly.

Annual Report- Assets and Liabilities

Assets and Liabilities	
Cash, Checking Accounts, Etc.	0.00
Receivables	0.00
Payables	0.00
Estimated Net Assets at End of Fiscal Year	0.00

Assets and Liabilities

- Cash, Checking Accounts, etc.: Total of all funds remaining in section/MAL banking and investment accounts and cash on hand at the end of the fiscal year (June 30th).
- Estimated Net Assets: Will automatically add amounts from the Cash/Checking Account (16) and Receivables (16) and subtracts the amount from Payables (17) to give the final net assets of the section/MALs.



There is only one user editable field in the assets and liabilities section. It's for the the sum of all balances for all of the sections accounts and their cash on hand. The other three fields are calculated from previously entered data.

Annual Report- Second Approving Officers

I hereby certify that the data submitted has been reviewed and approved by the section/MAL President

Upload your Conflict of Interest Form Or drop files

Before submitting the report, you will need a second authorized officer to review and confirm the accuracy of the finances that will be reported in the online form.

Authorized Approvers for:

- Collegiate sections: President, Treasurer, Counselor, or Faculty Advisor
- Professional Sections: President, Treasurer
- MALs: President, Treasurer

Conflict of Interest Forms

- Upload signed Conflict of Interest forms for each incoming section officer with fiduciary responsibility
- Copies of the Conflict of Interest Form for Leadership can be found under volunteer forms at <https://swe.org/about-swe/governance/resource-center/>

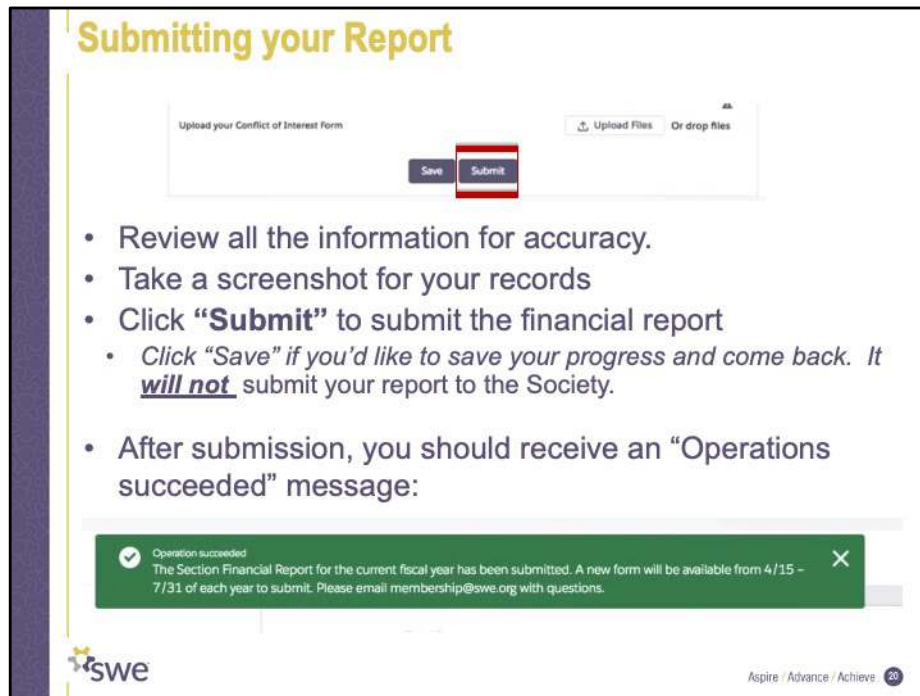
The screenshot shows a web form interface. At the top, there is a 'Year' field. Below it, a text box contains the statement: 'I hereby certify that the data submitted has been reviewed and approved by the section/MAL President'. To the right of this text is a small square checkbox. Below the text box is a red rectangular box highlighting the upload area. This area contains the text 'Upload your Conflict of Interest Form' followed by two options: 'Upload Files' (with a small upload icon) and 'Or drop files'. Below the red box are two buttons: 'Save' and 'Submit'.



Incoming Presidents and Treasurers must complete the Conflict of Interest form and upload it during the Financial Report submission process.

It is new this year to upload this to the finance report.

Submitting your Report



The screenshot shows a web interface for submitting a report. At the top, there's a title 'Submitting your Report' in yellow. Below it, there's a form area with a 'Save' button and a 'Submit' button. To the right of the 'Submit' button, there's a file upload area with 'Upload Files' and 'Or drop files' options. Below the form area, there's a list of instructions. At the bottom of the screenshot, there's a green notification bar with a checkmark icon and a close button (X). The notification text reads: 'Operation succeeded. The Section Financial Report for the current fiscal year has been submitted. A new form will be available from 4/15 - 7/31 of each year to submit. Please email membership@swe.org with questions.' The SWE logo is in the bottom left corner, and the tagline 'Aspire / Advance / Achieve' with a small '20' icon is in the bottom right corner.

- Review all the information for accuracy.
- Take a screenshot for your records
- Click **“Submit”** to submit the financial report
 - Click **“Save”** if you'd like to save your progress and come back. It **will not** submit your report to the Society.
- After submission, you should receive an “Operations succeeded” message:

Now that you have all the information entered, you're ready to submit. Review all the data for accuracy and grab screenshots or PDFs for your section records

You can save and come back and submit later. Clicking save will not submit your report to the Society.

Since the report is tied to the section and not an individual user, the outgoing Treasurer can enter information, save it and then the incoming treasurer can complete the conflict of interest form uploads and submit it to the society.

Make sure to click that Submit button before July 30th!

Viewing Past Reports

- Access past financial reports via the leadership portal
- Select “Financial Report History” from the left menu

Year	Dues Rebate Income	Scholarship Donations	Donations for Specific Projects	General Donations	Interest Income	Other Income	Receivables	Total Income
2016	USD 1,470.00	USD 0.00	USD 29,285.00	USD 2,940.23	USD 3.20	USD 326.00	USD 0.00	USD 34,024.43
2017	USD 1,274.60	USD 0.00	USD 21,379.87	USD 322.50	USD 1.19	USD 6,365.56	USD 0.00	USD 29,343.72

- Click the green “+” to show more fields of the report

2017 USD 1,274.60 USD 0.00 USD 21,379.87 USD 322.50 USD 1.19

Scholarships Awarded USD 5,400.00

Administrative Expenses USD 1,406.85

Other Expenses USD 28,731.70

Payables USD 0.00

Total Expense USD 35,538.55

Net Income USD -6,194.83

Cash, Checking Accounts, Etc. USD 54,060.38

Estimated Net Assets USD 47,865.55

Self-certify

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Previous financial reports for your section are also available in the leadership portal. Select “Financial Report History” from the left menu. Some information is displayed face-up. If you click on the green plus icon, additional fields are displayed.



Any questions about the preparation or submission process?

Step by Step Instructions to file



<https://www.youtube.com/watch?v=k6iVqxIRQ-E>