

IABC Houston - 2020 Chapter Management Awards Entry

Category: Financial Management

WORK PLAN

The Houston Chapter of IABC is a vibrant and active chapter within Texas. In a big city with many communicators from all industries and backgrounds, our goal is to provide diverse benefits to continually engage our members and non-members alike. Managing our finances is a critical piece of being able to provide quality programs.

Through good financial management the Houston chapter entered the 2018/2019 board season with a \$50,000 balance. However, more than \$40,000 of this was locked into a long-term savings account with Fidelity which had been set up by a previous board around 20 years ago. With the regular board turnover, the chapter had lost access to this account over the past five years as it was linked to the Social Security number of a previous VP Finance.

The chapter had a further problem. The primary bank account with Bank of America had been locked with the names of a previous board. One of the people on the previous board had since moved to California, and was not able to be contacted. This meant that we could not add or remove names on the account.

Our financial situation was strong, but the ability to actively manage it for the benefit of our members was not. As a board, we committed to using 2018 and 2019 to solve these issues and create a new base for our finances that allow us to maintain a strong financial management in the years to come.

Goals and objectives

- Clarity on how we manage our finances.
- Regain access to our Fidelity account and move the funds to an account where we could use them for the benefit of our members.
- Update the Bank of America account to the current board.
- Look at alternative options for day-to-day financial management that better suit IABC Houston's needs and ensure we are getting good value for money.

Budget

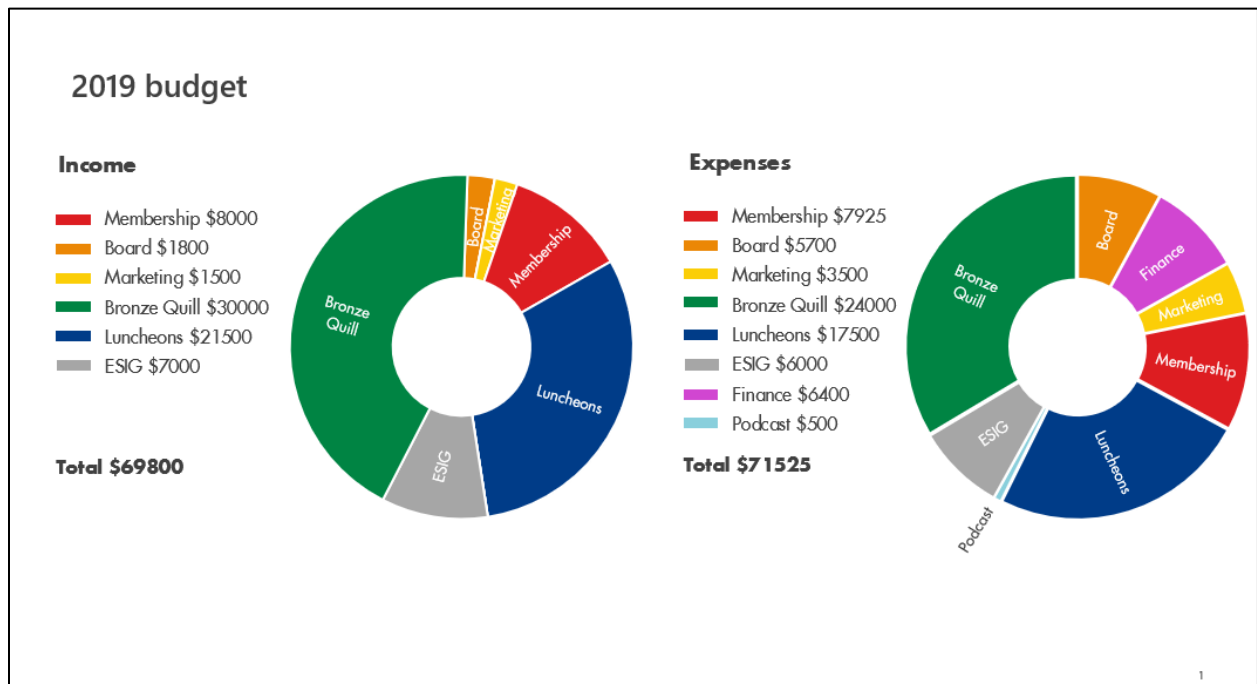
The Houston chapter spends \$6400 a year on financial management. This includes:

- \$3900 account bank charges (including our online payment portal and regular Bank of America account)
- \$1400 on a CPA to reconcile our accounts each month
- \$600 on insurance
- \$150 on a PO Box
- \$350 on an annual QuickBooks subscription.

Implementation

1. Clarity on financial management

At each monthly board meeting the VP Finance provides an update on the financial performance of the chapter. At the start of the board year (in August 2019) the budget was provided in both a spreadsheet (see Work Samples) format and image (see below). This allowed the board to visualize the budget beyond just rows of numbers.



2. Regain access to Fidelity

Our primary goal was to gain back access to our Fidelity account.

This process began with some initial phone calls to the call center to see if there was any documentation we could provide to prove we were the rightful owners of the money.

Fidelity asked for several pieces of information, including notarized board reports, proof of new address, tax documentation proving our EIN number including a W9 and SS4. After we submitted this information, and through multiple reviews, requests for additional information and notarized signatures, Fidelity reinstated our access to the account.

3. Update the Bank of America account to the current board

To regain full access to the Bank of America account, we contacted the Bank and sought to find out what we could do. At first, they insisted that all members currently on the account would need to be there. However on explaining our situation in person with a small business banking expert at the branch, we were able to source a path through which we could get access. This included passing a motion at a board meeting to change the names and providing this along with proof documentation. In January 2019 we were able to remove the old board names.

Working through obstacles

At around this time we faced a major financial obstacle. Our Bank of America account was flagged as not having the right tax information on it, and we were asked to provide a number of documents that we didn't have available. This included articles of incorporation for IABC and tax details. Bank of America gave us just one month to provide these details.

We worked directly with the IABC head office in the US who ordered the information from the California State government. However, the time period of the state to provide these were longer than our timeframe to submit, and Bank of America froze our account.

At this point, we had to ensure we could pay and receive money to keep the chapter going. Fortunately, we had just signed up with a new gateway portal which took online payments as part of the Bronze Quill platform. This platform allowed us to store money in our online account with them while we worked through our bank account issues, and so we were able to continue to receive payments for Bronze Quill and our luncheons and events. We also were able to order a checkbook for our Fidelity account, and so we could make payments to ensure we could continue with our program of events.

In total we managed this 'plan B' situation for three weeks. Once the head office had the documentation, they were able to send it through immediately and Bank of America was able to reinstate our account.

4. Alternative options for day to day financial management

Once our bank account had been restored, our goal was to ensure we had the best financial framework for our members. One of the key issues we had was the regular board changeover. Because of this we needed an account that would be easy to update and access.

We moved the money out of Fidelity to our Bank of America account in October 2019. While the Fidelity account had received good interest over the years, the need to be attached to a Social Security number and the time it takes to access the funds made the board feel that this was not the best place for our money.

We also began to look around for alternatives to our Bank of America account (see below). We made a list of nice to haves and must haves for an account, and looked into different options that we had identified: Paypal Bank, a Credit Union, an online bank and a retail bank.

Banking Options		Paypal	Credit Union	Online bank	High Street Bank
Must Haves	Link to payment gateway (Stripe etc)	Y	Y	Y	Y
	Check book and check deposit	N	Y	Y	Y
	Link to Quickbooks accounting	Y	Y	Y	Y
Nice to Haves	Separate savings account	Y	Y	Y	Y
	Low fees	Y	Y	Y	N
	Easy to change names on account	Y	N	Y	N
	Can have 5 people on account	Y	Y	Y	Y

Must haves included being able to link to an online payment gateway so we could offer online payment to members, a checkbook and check deposit so our members could also pay by check (this is a popular choice of payment for our Entrepreneur Strategic Interest Group) and to link to QuickBooks. Nice to haves included a separate savings account, low fees, easy change of names at board turnover and to have five people on the account so we could ensure our VP programs, VP Finance, President, President Elect and Secretary could all have debit cards which were essential in their roles.

The board sought expert advice from our CPA and along with our own discussions decided an online bank would be the best choice for the chapter. Research and advice pointed towards Chase Online as a strong contender due to its safe and simple platform.

At the same time we shut down our Fidelity account, we audited our other financial products. We found that our new gateway portal for online payments attached to our Bronze Quill platform could replace two of our previous products: Authorize.net and Merchant Solutions. The board also took the decision to begin reconciling our accounts ourselves using the simple QuickBooks software. This removed three expenses from our chapter Financial Management.

Measurement

Our measure of success was to end the year in a stronger financial management position than when it started. This included:

- The full board aware and aligned on the financial situation.
- Access to money locked in Fidelity.
- Updated Bank of America account.
- Strong suite of Financial tools for good Financial Management

Results

The IABC Houston chapter is ending 2019 in a much stronger financial position.

- We were able to update both our Fidelity and Bank of America accounts, and have all our money now easily accessible in one account.
- Found an alternative to our current bank account better suited to our needs.
- Shut down Authorize.net and Merchant Solutions accounts (saving of \$600 per year) and move to online reconciling software (\$1400 saving per year). Overall reduction of financial management costs from \$6400 to \$4400.

WORK SAMPLES

- Board minutes 2018-11-13
- 2019 budget
- Monthly finance report