

FORM 28A **INSTRUCTIONS - MONTHLY CASH REPORT**

General

Form 28 is designed to provide a standard form that facilitates review at all levels of the SIR Organization as well as enabling extraction of certain data used in SIR State reports to government entities. The form is prepared by the Branch Treasurer or Assistant to track all receipts and disbursements of Branch funds, and by the 10th of the month he must distribute copies of the report for the previous month in accordance with instructions on the form itself.

RULE 216 By the 10th of each month, the Branch Treasurer shall submit a completed Form 28-Monthly Cash Report-including the total number of Active Branch members for the previous month in accordance with the distribution instructions on the form. This report does not need to be approved by the Branch Executive Committee prior to distribution. The December Form 28 is to be submitted to the new Officers as well as the previous year Officers. (Revised 11/9/10)

At the monthly Branch Executive Committee meeting, he will present the report, discuss significant developments relative to Branch finances, and provide the BEC with appropriate written supporting details and analyses.

SIR State Treasurer or Assistant will make periodic reviews of the Branch Forms 28 to check figures for accuracy, reasonableness and compliance with SIR rules, including proper classification into General and Custodial Accounts.

Basis of Figures

The figures entered on this report are based on the checkbook, not what is physically in the bank. When the check is issued, the funds are committed and the expense must be recorded and displayed on Form 28 in the month the check is written. Do not delay the entries until checks clear. The same principle applies to cash receipts versus deposits.

Columnar Data

For the month and year-to-date ('YTD'), the Form 28 tracks BEGINNING CASH BALANCE, GENERAL ACCOUNTS net cash flow by individual category and total, CUSTODIAL ACCOUNTS net cash flow by individual category and total, and ENDING CASH BALANCE. The YTD figures reflect the net amounts for each line on the report for all months of the current year including the current month. By definition then, in the January report only, the figures reported in the Month and YTD columns are identical.

'General' vs. 'Custodial' Data

General Receipts (Lines 1xx) track in-flow not applicable to a specific activity, whereas Custodial Receipts (Lines 3xx) track in-flow that is earmarked for separate specific activities.

General Disbursements (Lines 2xx) include general operating expenses of the Branch, whereas Custodial Disbursements (Lines 4xx) include out-flow pertaining to separate specific activities.

The distinction between GENERAL and CUSTODIAL terminology is important to the SIR State Treasurer in his compliance with governmental requirements. Custodial accounts are intended to control programs and activities that by rule are self-financing, and net overages and shortages should be minor amounts. A significant shortage should not be absorbed into Branch general funds, but recovered from the participants.

The 'Total Cash' Concept

The Monthly Cash Report deals with receipts and disbursements in terms of cash. "Total Cash" is the sum of all Branch treasury monies in bank checking and savings accounts, petty cash funds and other cash on hand such as in-transit, unbanked money. All transactions involving funds flowing into or out of the Branch treasury must be reflected within an entry on the report. Transfers of amounts among the different cash categories do not require a Form 28 entry, but should be explained at the BEC meeting.

Line by Line Entries

Line 1 - BEGINNING CASH BALANCE. In the Month column, this is the total ending cash balance from the previous report. In the YTD column, it is the ending cash balance on the last report of the prior year and remains as that figure every month all year.

Lines 2, 3, 5 and 6 are subtotals of the line-items immediately above each subtotal.

Line 4 - NET GENERAL gain/(loss), is the total of Line 2 minus Line 3. If Line 3 is larger than Line 2, the result will be negative and should be preceded with a dash or enclosed in brackets.

Line 7 - NET CUSTODIAL gain/(loss), following the same logic as Line 4, is the sum of Line 5 minus Line 6.

Line 8 - ENDING CASH BALANCE. This is the total of Lines 1, 4 and 7. Be sure to subtract negative numbers in arriving at this total.

Note that both amounts on Line 8 must be the same. It makes sense, since the last day of the month is the same day as the last day of the YTD period. If they are not equal, an error exists somewhere in the report, and it must be found and corrected before issuing the report.

Cash Elements

Enter each category of cash in the Branch treasury, and the total at the bottom of this box must equal the figure on Line 8 or there is an discrepancy to be resolved.

Membership Data

Care must be taken to report an accurate count of Active members. This is an important statistic to the SIR State organization and is closely monitored by the State Treasurer's team. Also, the quarterly pro rata assessment is based on this number minus Honorary Life Members. Please confirm that all Honorary Life Members are included in the Active member count

Luncheon Data

This information is now reported on Form 27.

Report Date

The Report Date is the "as of" date of the figures. Should it become necessary to issue a "Corrected Report", clearly identify it as such and use a later Report Date to avoid confusion.

Distribution

Distribute the report per instructions on the form, and to other interested members.

JMS