

# **Imperial Exchequer Handbook**

For the Empire of Chivalry and Steel, Inc.

Dated 2018

Proposed August 13, 2018 by J. Jayde Gilmore, Treasurer of the Board of Directors

Also known as Contessa Dame Valdis Hertogafru, KP, KA

## **FINANCIAL STRUCTURE**

1. As the IRS only recognizes the Empire of Chivalry and Steel, Inc., as a legal entity, there will be only one bank account.
2. The Treasurer of the Board of Directors shall be the primary account holder. S/he shall be responsible for maintaining a ledger that shows the amounts each kingdom has deposited into that account and will provide copies of the same upon request, and shall make quarterly reports to the King and/or Queen of each Kingdom.
3. The Treasurer of the Board of Directors shall be responsible for filing the organization's Federal and State taxes as necessary in a timely manner.
4. The Treasurer of the Board of Directors shall be responsible for making disbursements upon the request of the King or Queen of each Kingdom (for amounts not exceeding \$200) or with evidence that the Kingdom Estates has approved such expenditure (for example, by being provided a copy of the minutes of the Kingdom Estates meeting, with vote counts, where said expenditure was approved, along with a request for the amount and payee information) (See Attachment C for an example).
5. The Treasurer of the Board of Directors shall communicate at least quarterly with the Exchequer of each Kingdom to confirm the ledger amounts that the Treasurer of the Board of Directors has for that Kingdom.
6. If any Kingdom or Territory is shown to have an account separate from the Corporate Account, they shall have 30 days to close said account and remit the funds to the Treasurer of the Board of Directors. Should the Kingdom or Territory refuse to close said account, the Board of Directors shall take such action as they see fit, up to and including revoking the charter of the Empire of Chivalry and Steel, Inc., and reporting the fraudulent use of the Empire of Chivalry and Steel, Inc.'s tax ID number to the appropriate authorities.
7. The Treasurer of the Board of Directors shall supply deposit information to the Kingdom and Territorial rulers and exchequers upon request. Should a territory exist in an area that does not have a branch of the bank that holds the account of the Empire of Chivalry and Steel, Inc., said kingdom or territorial exchequer should mail any checks or other drafts of funds (I.e., money orders and cashier's checks) to the Imperial P.O. box or Treasurer of the Board of Directors per his or her discretion. In the event that the funds to be deposited are cash, the kingdom or territorial exchequer has permission to purchase a money order or cashier's check using the funds and may mail that draft of funds as per above. A receipt for the draft must be attached and the expense must be reflected on the Expense report (Attachment B). Given that this may be a "last minute" expense, it is acceptable for the exchequer to simply note the cost of the draft on the report.

## **THE OFFICE OF THE EXCHEQUER**

1. Each Kingdom and Territory shall have an Exchequer. The Kingdom Exchequer reports to the Treasurer of the Board of Directors as well as the King and/or Queen of their Kingdom, with territorial exchequers reporting to their territorial leaders and Kingdom Exchequer as appropriate.

2. The exchequer is the financial officer for the group and is responsible for all financial reports and deposits to and requests for disbursements from the corporate checking account. The exchequer shall also be responsible for the collection of site fees from events, either personally, through a deputy, or through the autocrat, and for auditing the autocrat's financial report at the end of the event, or an officer's financial report when submitted. The Exchequer shall supply the results of said audit to the Treasurer of the Board of Directors.
3. The Empire, recognizing the inability of most small groups to recruit an accountant to serve as exchequer, requires that the person chosen must meet the following minimum qualifications: be of legal age; be familiar with Excel; and have computer access with the ability to send and receive electronic documents.
4. By the 15<sup>th</sup> of each month, the subject territory exchequer will prepare a report for the previous month showing beginning ledger balance, all income with a description, all requested disbursements with a description and the ending ledger balance (see Attachment A). This report shall be given to the Kingdom Exchequer, and the territorial ruler. If there was no activity on the account, a report showing that must be filed. Original receipts shall be kept for 3 years by the office of the territorial exchequer and legible electronic copies shall be sent to the sovereign territory exchequer in Adobe PDF format. The electronic copies shall be stored indefinitely by all parties, and forwarded to the successor as officers change. The original receipts must be transferred within seven calendar days to the sovereign exchequer if demanded.
5. The Kingdom exchequer shall report to the Imperial Exchequer on a quarterly basis. This is to ensure that the Imperial office is not deluged with a year's worth of financial transactions all at one time. The report shall include the financial reports from all of the subject territories plus the kingdom financial activity (see Attachment A). This report is due by the 30th of the month following the end of the quarter (April 30, Jul 30, Oct 30 and Jan 30). This report must show the beginning ledger balance, all income with a description, all requested disbursements with a description and the ending ledger balance. This report shall be given to the Treasurer of the Board of Directors and the King and/or Queen of their Kingdom. If there was no activity on the account, the report must still be filed with zeros for income and expense amounts. Original receipts shall be kept for 3 years by the Kingdom exchequer and legible electronic copies shall be sent to the Treasurer of the Board of directors. The electronic copies shall be stored indefinitely by all parties, and forwarded to the successor as officers change. The original receipts must be transferred within seven calendar days to the Treasurer of the Board of Directors if demanded.
6. Original receipts generated by the kingdom exchequer shall be kept for seven years. Legible electronic copies shall be sent to the Treasurer of the Board of Directors along with all subject territory receipts in the quarterly report. Electronic copies shall be kept indefinitely by all offices. Each Kingdom shall submit an annual report to the Treasurer of the Board of Directors summarizing the prior year's activity by February first.

#### **THE OFFICE OF THE TREASURER OF THE BOARD OF DIRECTORS**

1. The office of the Treasurer of the Board of Directors shall serve as the financial officer for the corporation and is responsible for the preparation of financial statements, state filing requirements and federal filing requirements. It is the responsibility of the Imperial Exchequer to oversee all exchequers and to ensure that each region is reporting on a regular basis. Each Kingdom

Exchequer is responsible for ensuring that the Treasurer of the Board of Directors is aware of the filing requirements for the states within their Kingdom. It is also the responsibility of the Treasurer of the Board of Directors to maintain and update this handbook in accordance with reporting requirements of tax laws. The Treasurer of the Board of Directors shall report to the Board of Directors and the Imperial Estates.

### **THE OFFICE OF IMPERIAL EXCHEQUER**

1. The office of the Imperial Exchequer may be combined with the office of the Treasurer of the Board of Directors at the discretion of the Board of Directors.
2. The Imperial Exchequer is responsible for warranting and supervising Kingdom Exchequers, collecting all Kingdom expense reports, and submitting them to the Treasurer of the Board of Directors. In the event that the Imperial Exchequer and Treasurer of the Board of Directors are a combined office, the Treasurer of the Board of Directors shall have this duty.

### **FINANCIAL POLICIES AND PROCEDURES**

1. The Empire of Chivalry and Steel, Inc. is a nonprofit corporation registered in the state of Arizona. As such, it must be run as a business in accordance with federal and local state laws. Exchequers are not expected to be accountants, however, it is strongly suggested that they familiarize themselves with “best practices” of accounting.
2. The Empire of Chivalry and Steel, Inc.’s accounts shall have a minimum of three signers. The signatories recommended are Treasurer of the Board of Directors, and two other signers as selected by the Board of Directors. There WILL NOT be two signatories living at the same address.
3. The account name will be “The Empire of Chivalry and Steel, Inc.”
4. Any documentation needed to deposit to the corporate account can be obtained from the Imperial Exchequer.
5. The Corporation may open a money market or other interest earning account as long as the interest earned is reported as income for the Corporation and the money is used for group activities.
6. Each new group shall contact the Secretary of State for the state they are located in, or other office as appropriate, and register the Empire Of Chivalry And Steel, Inc. as a foreign corporation in that state. Any documents required for filling foreign corporation status can be obtained from the Treasurer of the Board of Directors.
  - a. A founding member of the group shall serve as statutory agent and their address shall be used as the "street address" (as opposed to mailing address) of the group. The sole purpose of the statutory agent is to act as a local corporate contact for the state in case of mundane paperwork.

- b. If the founding member of the group is unwilling or unable to serve as statutory agent, the Board of Directors shall appoint a statutory agent based on the recommendation of the populace of that group.
  - c. The statutory agent must maintain residency in that state and must maintain membership in the Empire Of Chivalry And Steel, Inc.
  - d. For a group that covers more than one state, a statutory agent and foreign corporation status must be obtained for each state.
7. Anyone who is purchasing supplies on behalf of the organization, either for an office or for an event, must avoid purchasing personal use items in the same transaction as ECS items. If this is not possible, be sure to deduct the personal use items dollar amount including tax from the receipt total. If personal use items are not clearly separate from the ECS items this is a violation of IRS Tax rules.

### **DISBURSEMENT OF FUNDS**

1. Membership dues are paid directly to the corporate account. A territorial exchequer may only collect membership funds if they are in check or money order made payable to the Empire of Chivalry and Steel, Inc., or to facilitate a PayPal or other electronic payment.
2. The King and/or Queen of a Kingdom can approve any expenditure of not more than \$200.00 per month. Any other expenditures must be approved by the territorial estates.
3. Expenditures must be for Empire Of Chivalry And Steel, Inc. activities: holding events, publication costs, and appropriate officer expenditures. Group funds CAN NOT be used for the personal benefit of an individual or to pay for an individual's membership in the organization.
  - a. A budget request form should be submitted to the kingdom chronicler as an agenda item for the next kingdom estates meeting. Upon approval of the kingdom estates, the kingdom treasurer will give the budget request to the Treasurer of the Board of Directors to issue a check. (Attachment C).
  - b. A receipt for all expenditures must be remitted to the Kingdom Exchequer. Officers have 30 days from the issuance of the check to return all receipts to the exchequer. (Attachment B). If the Treasurer of the Board of Directors is making the payment directly (instead of providing a check to the Kingdom Exchequer) s/he shall supply proof of payment as soon as possible.
  - c. Per the IRS, any property purchased by a sub-division of the Empire of Chivalry and Steel, Inc. is the property of the Empire of Chivalry and Steel Inc. However, the sub-division that requested the purchase shall retain control of and responsibility to maintain said property. Funds used to purchase said property shall be deducted from that sub-division's ledger balance.

- d. Autocrats for events have 30 days after the event to return all receipts and unused funds to the kingdom or territorial exchequer. (Attachment B). Autocrats SHALL NOT be awarded points or accolades until all monies are accounted for.
  - e. Persons owing money to the organization shall not have their membership renewed and may be referred to the I.R.S. for tax purposes. Autocrats who have not filed expense reports are considered to owe money to the organization, regardless of any profit or loss generated by the event.
4. Fundraising, such as raffles and auctions, is encouraged. All funds must be raised in the name of the Empire Of Chivalry And Steel, Inc. and used solely for Empire Of Chivalry And Steel, Inc. purposes. Items to be raffled or auctioned must be purchased from outside sources or donated by Empire Of Chivalry And Steel, Inc. members. The Corporation and its sub divisions may not purchase said items from an Empire Of Chivalry And Steel, Inc. member as this would constitute use of group funds for the personal benefit of an individual and is a violation of IRS tax laws. Fund-raisers for other charitable non-profit organizations, such as Toys for Tots, can be held at Empire Of Chivalry And Steel, Inc. sanctioned events as long as a proper accounting of the monies is made. Fund-raisers for individuals CAN NOT be held at Empire Of Chivalry And Steel, Inc. sanctioned events no matter how dire the individual's circumstances.
5. No individual may profit from their position within the Empire Of Chivalry And Steel, Inc. as this is a violation of IRS tax laws.
6. Any contract entered into by any division of the Empire of Chivalry and Steel, Inc. must be approved by the King and/or Queen of the Kingdom, or the Board of Directors as appropriate. No individual may sign as both parties of a contract. A copy of any contract entered into by any division of the Empire of Chivalry and Steel must be delivered to the King and/or Queen of the Kingdom and the Board of Directors as soon as possible.

### Attachments

<b>A</b>	<b>Periodic Expense Report</b> Territorial and Kingdom Exchequers should use this form for monthly or quarterly reports.
<b>B</b>	<b>Event Expense Report</b> Autocrats must turn in this form within 30 days of the event in order to receive points or recognition of a Ministry Project. Any autocrat who fails to turn this in is considered to owe any moneys requested in advance of the event.
<b>B</b>	<b>Officer Expense Report</b> Officers must turn this form in within 30 days of the issuance of funds. Any officer who fails to turn this in is considered to owe any moneys requested.
<b>C</b>	<b>Budget Request Form</b> Any officer or autocrat requesting funds should use this form.

**Monthly/Quarterly Expense Report (Attachment A)**

<b>Territory:</b>		<b>Month / Quarter:</b>	
<b>Income:</b>	<b>(Amount)</b>	Beginning Balance:	
Site / Feast Fees		Income:	
Donations		Expenses	
Advertising Fees		Funds Returned	
Sale of Items		ECS Transfer	
Other:		Ending Balance	
Other:		Outstanding Funds	
<b>Total Income:</b>			

<b>Expenses</b>				
<b>Date</b>	<b>Description</b>	<b>Amount</b>	<b>Approved By</b>	<b>Receipts Received?</b>
	<b>Total Expenses</b>			

<b>Funds Outstanding To Autocrats Or Officers:</b>				
<b>Date Issued</b>	<b>Description</b>	<b>Date Returned</b>	<b>Amount</b>	<b>Receipts Received?</b>

<b>Funds Transferred Between ECS Entities</b>		
<b>To:</b>	<b>From:</b>	<b>Amount:</b>

Exchequer Legal signature \_\_\_\_\_

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



Directions for Expense reports: (Attachment A)

1. List the name of the territory submitting the report and the time frame of the report.
2. List all sources of income. Remember this is gross income (i.e. site fees) not profit (i.e. site fees minus cost). Attach additional pages as required.
3. List all expenses paid out during that month including a description of the outlay and who approved it. Attach additional pages as required
4. List the ledger balances for the month reconciling the expenditures and income.
5. If funds are given to an autocrat and not returned by the end of the month list it in both the expenses and outstanding blocks
6. Items listed in the outstanding area must be continually listed until the funds are accounted for.
7. List all monies transferred between ECS entities in the appropriate blocks for both the sending and receiving parties.
8. Sign the form and then transmit it electronically up the chain of command and file the original for seven years.

**Event Expense Report (Attachment B)**

Event: \_\_\_\_\_ Date: \_\_\_\_\_ Autocrat: \_\_\_\_\_

<i>Income</i>		
<b>Date</b>	<b>Source</b>	<b>Amount</b>
	Funds from Kingdom/Territory	
	Site Fees	
	<i>Total Income</i>	

<i>Expense</i>		
<b>Date</b>	<b>Payee/Purpose</b>	<b>Amount</b>
	<i>Total Expense</i>	

Total Profit/Loss: \_\_\_\_\_

Amount due to Territory/Kingdom: \_\_\_\_\_

Autocrat Legal Signature: \_\_\_\_\_

Date Submitted to Exchequer: \_\_\_\_\_

Exchequer Legal Signature: \_\_\_\_\_

Date verified by Exchequer: \_\_\_\_\_

Directions for Event Expense Reports (Attachment B):

1. List the name of the event or office for which you were given funds by the exchequer.
2. List your name (as it appeared on the check).
3. List all income for the event, including any money that the ECS has given you for the event or office. Attach additional pages as required
4. List each receipt that you have to submit. The columns are date of the receipt, who and what the receipt was for (i.e., site rent, food, copies, paper, etc.) and the amount of the receipt. Attach additional pages as required.
5. The total income minus expense is the Total Profit/Loss. This may be a negative number. If this is the case, write it in using angle brackets <>.
6. For events, the autocrat must attach all of the original receipts, a copy of the General Liability Waiver form and any monies due to the ECS to this form with your signature and the date you are submitting it to the exchequer. This form, the receipts, and the monies owed must be returned within 30 days of the event.

Officer's Expense Report (Attachment B)

Office: \_\_\_\_\_ Mundane Name: \_\_\_\_\_

<b>Income</b>		
<b>Date</b>	<b>Purpose</b>	<b>Amount</b>
	<i>Total Income</i>	

<b>Expenses</b>		
<b>Date</b>	<b>Purpose</b>	<b>Amount</b>
	<i>Total Expense</i>	

Total Profit/Loss: \_\_\_\_\_

Amount due to Territory/Kingdom: \_\_\_\_\_

Officer Legal Signature: \_\_\_\_\_

Date Submitted to Exchequer: \_\_\_\_\_

Exchequer Legal Signature: \_\_\_\_\_

Date verified by Exchequer: \_\_\_\_\_

Directions for Officer Expense Reports (Attachment B):

1. List the name of the office for which you were given funds by the exchequer.
2. List your name (as it appeared on the check).
3. List all income, including any money that the ECS has given you for the office.
4. List each receipt that you have to submit. The columns are date of the receipt, who and what the receipt was for (i.e., site rent, food, copies, paper, etc.) and the amount of the receipt. Avoid purchasing personal use items in the same transaction as ECS items. If this is not possible, be sure to deduct the personal use items dollar amount including tax from the receipt total. If personal use items are not clearly separate from the ECS items this is a violation of IRS Tax rules.
5. The total income minus expense is the Total Profit/Loss. This may be a negative number. If this is the case, write it in using angle brackets < >.
6. Attach all of the original receipts, a copy of the General Liability Waiver form and any monies due to the ECS to this form with your signature and the date you are submitting it to the exchequer. This form must be submitted within 30 days of the transaction.



Directions for Budget Request (Attachment C):

1. Print your mundane name (this is who the check will be made payable to).
2. Print your persona Name.
3. List the date you are submitting the request for funds.
4. List the Event or Office that requires funding.
5. Complete the appropriate estimated expense line totals. For food/kitchen, miscellaneous or supplies provide a menu with a cost breakdown or a list of items with a cost break down as appropriate on a separate page. Be detailed on these items as it will reduce questioning and help the estate members be informed on what they are voting to approve.
6. Submit this form to be published for the next estates agenda.
7. If this is an emergency, and not more than \$200.00 you can speak to the King and/or Queen and provide them the budget form for approval.
8. After the estates votes on the budget request, if it is approved the exchequer will have you sign the bottom of the form.
9. After receiving approval from either the King or Queen or the Kingdom Estates, submit this form, signed by all parties, and the minutes from the Kingdom Estates meeting showing that the request was approved, to the Treasurer of the Board of Directors. The Treasurer of the Board of Directors will issue payment as soon as possible.
10. You must complete the appropriate expense form and attach the original receipts and submit to the exchequer within 30 days of the event or 30 days within issuance of the check for officers.