

Beta Theta Pi Chapter Accounting Standards (CAS)

What are the Fraternity's Chapter Accounting Standards?

1. Record keeping and bookkeeping processes are in compliance with a nonprofit organizational financial accounting standard. (Generally issued from FASB, AICPA or OMB).
2. Sufficient and secure tracking mechanism for tracking payments to specific vendors and collecting vendor tax ID information for 1099 filing.
3. Demonstrate the reconciliation of the bookkeeping to the bank account.
4. Successful and accurate annual 990 filing.
5. Documentation of storage of at least seven years secured of files/books.
6. Retention of tax-exempt status or submission of reinstatement packet is required to comply with the Chapter Accounting Standards.

Each chapter will select one of two compliance choices to comply with the Fraternity's new Chapter Accounting Standards:

- **Join the Billhighway partnership** – compliance is achieved by ensuring that 100% of financial transactions occur within Billhighway. This is achieved by:
 - Transferring chapter funds into Billhighway and closing outside bank accounts
 - Ordering check stock (pre-paid card is also recommended),
 - Billing members through Billhighway each semester or quarter.
- **Accounting Professional Verification**
 - An accounting professional is required to send the General Fraternity a letter annually stating the chapter meets the General Fraternity Chapter Accounting Standards.
 - The Accounting Professional will also provide the following financial documents on an annual basis: 990, Balance Sheet, and Income Statement.

The letter and documents can be mailed to the Administrative Office or emailed directly to john.underhill@beta.org.

Chapters who prior to 2013 had selected Self-Reporting as their compliance option may continue to comply using the Self-Reporting compliance option:

- **Chapter Self-Reporting**
 - Annually, the chapter will provide their filed 990, filed 1099's and financial statements to the General Fraternity as proof of their compliance with the Chapter Accounting Standards.
 - This selection is available to chapters operating as Self-Reporting prior to fiscal year 2013.

Each chapter will verify their compliance method annually online at my.betathetapi.org by April 15. Billhighway chapters will be monitored continuously for compliance. Accounting Professional and Self-Reporting chapters will bring financial documents to their Keystone Conference annually for submission and review. Chapter compliance status will be determined prior to March 1 of each year.

Non-Compliance

Chapters that are unable to comply with the CAS standards will transition to Billhighway and receive additional support for a period not less than one year.

Canadian Chapters and CAS:

Canadian chapters do not have IRS Form 990 or Form 990-EZ filing requirements if their annual gross income from US sources is less than \$50,000 and they do not engage in significant US activity.

However, if they seek or have sought tax exemption for US income tax purposes, the Canadian chapters are required to file IRS Form 990-N e-postcard regardless of the amount of US based income. So, if a Canadian chapter has lost its US tax exempt status for failure to file the Form 990-N for three consecutive years and wishes to be recognized as exempt by the IRS it will need to file a new application for exemption using IRS Form 1024 to reinstate its exempt status. However, it is not clear why any Canadian chapter would need to be recognized as exempt from US income taxes as they likely do not have any US source income that would be subject to US income taxes.

While Canadian chapters do not need to file 990s, they do need to maintain a proper level of financial recordkeeping and comply with all non-990-related chapter accounting standards.

CAS Selection Agreement Addendum

The following statements are agreed to by chapters upon making their CAS selection (blue text refers to Billhighway chapters only):

As a duly elected officer and representative of the chapter and its advisors, I understand and agree to the following: (Each check box must be marked to continue)

- 1 - The reporting requirements of the three available Chapter Accounting Standards compliance options and agree to the compliance option I have selected.
- 2 - I understand that it is the chapter's responsibility to ensure a 990 return is filed. Also I understand that by selecting Billhighway as my chapter's compliance option I am granting permission to the General Fraternity to include my chapter on a Group Return.
- 3 - I hereby declare that by choosing the Billhighway option that the information that is contained or will be contained in the Billhighway system is or will be my chapter's entire fiscal year financial record and is true and correct to the best of my knowledge.
- 4 - I understand that by choosing the Billhighway option we are not considered compliant with the Chapter Accounting Standards until we have completed the transition period and when Billhighway indicates to the Administrative office that said transition is complete.
- 5 - I authorize the General Fraternity to include the chapter in their group exemption ruling.
- 6 - I hereby declare that the chapter will operate within the scope of its tax exempt purpose as outlined in The Code of Beta Theta Pi.