

DUTIES OF COUNCIL OFFICERS

GRAND KNIGHT

The Grand Knight is responsible for the overall welfare of the council. Elected annually by the council membership, the grand knight must provide thoughtful and inspired leadership to the 14 other council officers, the Service Program directors, chairman and members of the council.

More specifically, his duties include: presiding over council meetings, details of which are outlined in the flyer, "Method of Conducting a Council Meeting" (#1937); acting as an ex officio member of all committees; appointing the membership and program directors and working with them on the selection of Service Program activities chairmen; convening officers for a monthly meeting; appointing special committees not mandated by the laws of the council; overseeing the proper exemplification of the First Degree; and finally, making sure that all reports and reporting forms required by the state or Supreme Council offices are submitted on time.

Another area of the grand knight's duties is overseeing the important work of the council's admission committee. Immediately after entering upon his term of office, the grand knight must appoint an admission committee composed of seven members. The grand knight monitors their work and makes sure their results are in line with the laws governing the actions of the committee.

The grand knight also interacts with the financial secretary and treasurer to insure the council is meeting its financial obligations to the Supreme and state council and others. For instance, the grand knight countersigns all orders drawn and signed by the financial secretary and all checks drawn and signed by the treasurer. He also reads the vouchers from the financial secretary of moneys paid to the treasurer and from the treasurer of monies deposited in the bank. In essence, the grand knight checks on the performance of the financial secretary and treasurer, working with them to help the council meet its financial obligations.

In accordance with section 130 of the "Charter, Constitution and Laws" (#30), each financial secretary, upon appointment by the supreme knight, is bonded automatically in the amount of \$5,000.00. Additional bonding may be provided at a cost of \$7.00 per thousand by contacting the office of the supreme secretary. The same will apply to the council treasurer when the "Report of Officers" (#185) is received at the Supreme Council Office.

The grand knight is a member of the Advisory Board charged with general supervision of a Colombian Squires circle sponsored by his council.

Finally, the grand knight is responsible for recommending a chaplain and appointing a lecturer.

DEPUTY GRAND KNIGHT

The deputy grand knight is the second in command in the local council. He is also elected annually, assists the grand knight in the operation of council affairs and is responsible for any duties assigned to him by the grand knight. In the absence of the grand knight, the deputy grand knight presides at council meetings and functions as the grand knight would. The deputy grand knight is member of the Advisory Board charged with general supervision of a Colombian Squires circle sponsored by his council. It is suggested that the deputy grand knight and the board of trustees serve on the council's retention committee.

CHANCELLOR

The chancellor is elected annually to serve the council in a variety of ways. Primarily, he assists the grand knight and deputy grand knight in the execution of their duties and takes charge of the council during the incapacity or extended absence of both.

With the cooperation and support of the grand knight, the chancellor has the important duty of strengthening the members' interest in council activities. To that end, he should have in his procession copies of the "Admission Committee Questionnaire" (#391) that prospects completed at the time of their admission committee interview.

The chancellor is also a member of his council's Colombian Squires circle ceremonial team.

RECORDER

The recorder functions in much the same way that a court reporter or a secretary does. He is responsible for keeping a true record of all the actions of the council and maintains all correspondence of the council. He should use the "Recorder's Minute Book" (#1403, available from the Supreme Council Supply Department) to record the minutes of all council meetings.

FINANCIAL SECRETARY

The financial secretary's important role is underscored by the fact that he is not elected by the membership but is appointed the supreme knight for a period of three years. His work has a direct effect on council member's, his fellow officers, the state council and the Supreme Council.

Basically, the financial secretary's duties revolve around two key areas of council activities: financial records and membership records. The financial secretary collects and receives all moneys that come into the council from any source. He then turns that money over to the treasurer for deposit in the council account.

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One main function of the financial secretary is to collect money, in the forms of dues, from members. He sends out billing notices before the start of the billing period and initiates retention measures to prevent members from being suspended for nonpayment of dues.

The compilation of membership records is another of the financial secretary’s important roles. He must ensure that new members sign the constitutional roll of membership at the time of their First Degree. The financial secretary also applies to the Supreme Council office for honorary and honorary life membership cards for qualified members.

Besides these two major responsibilities, the financial secretary has several others. They include: handling supply orders for members with the Supreme Council Supply Department; filling the “Report of Officers” (#185) with the Supreme Council office; and reporting all membership/insurance transactions to the Supreme Council office in a timely and correct manner.

When a financial secretary wishes to retire from his office, he should send a brief statement of resignation to the supreme knight. This statement should designate a final date by which the resignation is to be effective according to the wishes of the financial secretary. It is to be remembered, however, that every financial secretary has been appointed on the condition that he will remain in the office, if needed, until the supreme knight has been able to appoint the new financial secretary. Upon receipt of the financial secretary’s letter of resignation at the Supreme Council office, the appropriate forms for the nomination and appointment of the new financial secretary will be forwarded to the grand knight.

Because the duties and responsibilities of the financial secretary are so varied and complex, a financial secretary’s handbook (#1410) and an audiovisual production, “The Financial Secretary-Our Answer Man,” available at no charge, except postage and handling, from the Supreme Council Department of Fraternal Services, has been created to help him and council members understand his task more completely.

The Supreme Council also makes available personal computer software and associated reports and supplies to assist financial secretaries to automate record keeping/billing tasks. Information on hardware requirements and ordering and ordering information for the software and supplies may be obtained by contacting the Supply Department or the Department of Membership Records.

TREASURER

The treasurer is the elected official in charge of handling all council funds. He receives money from the financial secretary and issues a receipt for such. He is also responsible for depositing all money in the proper council accounts and providing a voucher or certificate of deposit to the grand knight for each transaction.

The treasurer is also responsible for issuing payments to the Supreme Council on all assessments made by it to the council and for all orders of the council.

Finally, the treasurer is responsible for keeping accurate accounts of the moneys in the general expense funds of the council and the amount of money in any special funds established by the council. He must be able to provide up-to-date records on these accounts to the grand knight, financial secretary or board of trustees.

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LECTURER

The lecturer is appointed by the grand knight to provide suitable educational and entertaining programs for the council. He is responsible for presenting the “Good of the Order” section at council meeting. The lecturer must be knowledgeable of all aspects of council programming in order to provide members with informative and entertaining programs. If the meetings have been conducted accordance with the ceremonials and the agenda, there will be ample time at each meeting for the lecturer to present worthwhile programs that will help build meeting attendance and provide benefits to the membership that is present.

ADVOCATE

The advocate is the legal representative of the council and should serve as the council’s attorney in case trial and investigation of any matter of interest to the council. The advocate need not be a member of the legal profession; however, he should be thoroughly familiar with all of the laws of the Order as stated in the “Charter, Constitution and Laws” and with the council by-laws. When a by-law is to be revised, the advocate serves as chairman of the revisions committee.

The advocate should also have a working knowledge of “Robert’s Rules of Order,” and the Supreme Council flyer, “Methods of Conducting a Council Meeting” (#1937), an understanding of both of these will help keep the meeting on track.

WARDEN

The warden is another officer elected annually by the membership at large. The warden is responsible for supervising and maintaining most council property, except that which belongs to the financial secretary.

He sets up the council chambers for meetings and degrees and appoints and supervises guards for ceremonial exemplifications. The warden should also oversee the inside and outside guards and make sure they are fulfilling the duties assigned to them.

INSIDE/OUTSIDE GUARDS

Both of these positions are elected annually. The inside guard attends the inner door of the council chambers, checking on paid up membership cards before allowing entrance. The outside guard tends the outer door of the council home, admitting all visitors to the inner door.

BOARD OF TRUSTEES

The board of trustees consists of the grand knight and three members elected by the council. Trustees supervise all financial business of the council. They serve as auditors of the semiannual audits and oversee the work of the financial secretary and treasurer. The grand knight is the chairman of the board. It is suggested that the board of trustees and the deputy grand knight serve on the council's retention committee.

Trustees are elected for terms of three years, two years, and one year. At each regular election, only the position of the three-year-trustee will be voted upon, and the current three and two year trustees move on to become two and one year trustees, respectively.

AUDITS

Proper handling of the finances of a council is a serious and solemn matter. It is the duty of grand knight, as the chief officer of the council, to make certain that the laws of the Order that spell out how its monies should be handled by the financial secretary and treasurer are fully observed. The grand knight is also the chairman of the board of trustees of the council, and as such he should make absolutely certain that the records and accounts of the council are audited semi-annually by the trustees, as required by the laws of the Order. **The financial secretary or the treasurer, inasmuch should never make these audits, as it is their accounts that are being audited.** Too much emphasis cannot be placed upon the importance of these audits being made. The only time a council can possibly get into financial difficulty is when its trustees fail to make their audits and when its officers fail to promptly correct any difficulties or problems the audits may disclose.

One copy of this report must be filed with the supreme secretary another with the state deputy, another with the district deputy another with the council.

When the time for the audit arrives – January and July – the grand knight as chairman of the trustees shall notify the treasurer and financial secretary to deliver their books and records to him. Then he and the trustees should carefully and methodically audit them as quickly as the circumstances allow, make memos as they think advisable, fill out the report forms and return the books to the respective officers. To audit the books is not a difficult matter. Instructions on how to prepare an audit will be found below and in the “Financial Secretary’s Handbook” (#1410). The “Semiannual Council Audit Report” (#1295) can be found in the “Council Report Forms Booklet” (#1436).

AUDIT REPORT

Section 145 of the Laws of the Order requires that the grand knight and the trustees audit the accounts of the financial secretary and treasurer at least every six months, and in January and July report thereon to their council, district deputy, state deputy and supreme secretary on forms approved by the board of directors and furnished by the Supreme Council. Under no circumstances should either the financial or treasurer prepares the audits, but each should readily available to the trustees to answer questions regarding the records. The trustees are charged with this duty, and in accepting office they are accepting the responsibilities the office entails.

Trustees who sign an audit prepared by the financial secretary or treasurer are acting in an irresponsible manner. The report made to the council, district deputy, state deputy and the supreme secretary indicates that the trustees have examined the records of the financial secretary and treasurer. If they have not done so, the trustees cannot know that the figures thereon are correct.

If the trustees and grand knight cannot personally make the audit, they should arrange to have one made by a qualified member at the expense of the council. A responsible

secretary will require that his records and accounts be examined periodically according to the Laws for the protection of all concerned, including his own. Protection of self-interest of the financial secretary will also help to safeguard the financial affairs of the council. The grand knight and trustees must arrange for the audit to be accomplished without depriving the financial secretary of his records for more than one week. The business records of any council can be properly examined within a week to assure accuracy and completeness.

The bonding company, which takes an active concern in audits, can refuse to honor the bond on either the financial secretary or treasurer for the following reasons:

- o Failure of the trustees to conduct the audit, or signing an audit prepared by the Financial secretary or treasurer
- o Failure to have on file at the Supreme Council two consecutive Audit Reports for the periods immediately past

RECORDS AND ITEMS NEEDED TO PREPARE THE AUDIT:

FROM THE FINANCIAL SECRETARY...

- o Cash receipt records
- o Warrant Voucher stubs
- o Receipts, Treasurer to Financial Secretary
- o Last Council Roster
- o Council Statements for the audit period
- o Cash and checks on hand if any
- o Bills or invoices requiring payment
- o Copy of last council audit
- o Member's Ledgers
- o FSPC Files/Reports

FROM THE TREASURER

- o Treasure's Cash Book
- o Check book, bank statements, cancelled checks and Warrant Vouchers for the audit period
 - All bank books, regardless of purpose of account
 - All Documents reflecting cash or liquid assets such as stocks, bonds, notes, etc.

FROM THE RECORDER

- o Minute Book

COMPLETING THE AUDIT REPORT

All three sections of the Audit Report (#1295) must be completed, and the audit must be signed by the grand knight and at least two trustees. If an entry is not applicable, the word “none” should be inserted on the line. Failure to complete any section or affix required signatures will necessitate return of the report to the grand knight.

SCHEDULE A – MEMBERSHIP- A major objective of the semiannual council audit is to reconcile local council membership records with those maintained by the Supreme Council Department of Membership Records. Then sources for information necessary to complete Schedule A of the Audit Reports are: (1) records the financial secretary maintains on ledger cards, ledger sheets or FSPC ledgers, depending on the accounting system used by the council (2) semiannual Council Rosters provided by the Supreme Council office and (3) monthly council sent from New Haven. The latter is especially necessary for associate to insurance, insurance to associate, transfers out of the council and, in some instances, death transactions recorded as a result of insurance claims processing. All discrepancies between local council and membership transactions being submitted to the Department of Membership Records, or... Local council records being corrected as necessary to ensure agreement.

Only those members for which the applicable membership transactions have been reported are to be listed on the audit. If an addition or a deduction is being acted upon but as yet has not been submitted with sufficient time for processing, it is **not** to be indicated on the audit report. Each time a transaction is submitted to the Supreme Council Statements office, it is the financial secretary’s responsibility to verify that it has been received and processed. This is accomplished by reviewing the monthly Council Statement for the audit period- August through January statements for the January statements for the January audit, February through July statements for the July audit. Again, **only those members for which transactions have been verified as received and processed in New Haven are to listed on the audit as additions or deductions.**

For the purpose of preparing the semiannual audit **only**, inactive insurance members are excluded; they are **not** to be considered as insurance members of the council. If an insurance member is suspended or takes a withdrawal, he becomes inactive and is considered a deduction. Conversely, an inactive member reactivating his membership is an addition to be recorded on the “Reinstatements & Readmissions” line. Also, The “Transfers – Assoc. to Ins.” And “Transfers – ins. To Assoc.” line in the Additions and Deductions sections must agree. For example, an insurance addition as a result of an associate to insurance transfer is also an associate deduction.

The figures for “Total Deductions” in the Deductions section are to be placed on the line “Minus Total Deductions” in the Additions section and must be subtracted from the figures for “Total for Period” to obtain the correct figures for “Number Members at End of Period.”

SCHEDULE B – CASH TRANSACTIONS – FINANCIAL SECRETARY

“Cash on Hand Beginning of Period” will be the figure from the previous Audit Report showing “Cash on Hand at End of Period.”

Figures for “Cash received – Dues, Initiations” and “Cash Received from other Sources” will be the accounting period summary from Records of Cash Receipts or from the Financial Secretary’s Cash Book. “Total Cash Received” will be the total of the three previous items.

Amounts for “Paid to Treasurer” will be the total of the figures shown on receipts from treasurer to financial secretary for monies received during the period by the treasurer from the financial secretary.

“Cash on Hand at End of Period” will be amounts shown “Paid to Treasurer” subtracted from amount shown as “Total Cash Received.” In most instances” Cash on Hand at End of Period” will show a zero balance as most financial secretaries pay all monies to the treasurer before the end of the audit period.

SCHEDULE B – CASH TRANSACTIONS – TREASURER

The “Cash on Hand Beginning of Period” will be the figure shown on the previous audit from line “Net Balance on Hand.”

The item “Received From Fin. Sec.” Will be the accounting period total of the items in the “Treasurer” Cash Book showing monies received from the financial secretary. This should agree with the amount shown in the financial secretary’s report on line “Paid to Treasurer.”

Under “Disbursements.” The amounts for per capita payments and general expenses will be the accounting period total of payments by the council as shown in the disbursements section of the Treasurer’s Cash Book.

AUDIT PROCEDURS FOR SCHEDULE B

The procedure detailed below is recommended for use by auditors in determining that dues payments were receipted, entered on the appropriate Members Ledgers, turned over to the treasurer, receipted by the treasurer, and deposited in the council’s bank account. Conversely, it is effective in verifying that credits were not posted to Member Ledgers unless there is a record of payment having been received. In order to make these determinations, a representative number of accounts should be “spot checked.” Proceed as follows:

- o Verify several receipts on each Record of Cash Receipts sheet to determine if credit was given on the appropriate Member Ledger for the amount shown.

- o Verify several Member Ledges to determine, in reverse order, if credit given there Was received and recorded on the Record of Cash Receipts.

- o Verify the totals on each Record of Cash Receipts sheet to determine that monies were turned over to the treasurer and his receipt was issued.
- o Verify each Treasure's Receipt to determine that the amounts shown were credited on bank statements as deposits.

To determine if the treasurer's check register is in balance with the balance shown on the end-of-bank period statement, the following procedure is suggested:

- o Determine that an authorized voucher exists for each check issued and that the was issued to the correct payee in the correct amount.
- o Review the endorsements on the checks to determine that they are endorsed by the payee.
- o Compare the cancelled checks to the Cash Disbursement register and indicate and initial audit results on the check register.

SCHEDULE C – ASSETS AND LIABILITIES

This section will provide insight as to the financial condition of the council. From audit period to audit period it will indicate the council's financial progress- or lack of it – and where necessary will enable the trustees, state and district deputies, and the Supreme Council office to obtain a true picture of the council's financial status. However, in reviewing previous audits it is apparent that some councils include figures in this schedule that are not applicable to the audit report. This is particularly true relative to "Due Supreme Council: Per Capita" in the Liabilities column and "Due From Members" in the Assets column.

It appears that some councils are including as owed the per capita levy for the period following the one for which the audit is being made. For example, if an audit is being made for the period ending December 31, then the per capita levy for January of next year should not be shown on the "Per Capita" line. However, should that January levy not be paid by June 30, it would be included on the next audit.

Regarding the "Due From Members" line... if financial secretary follows the proper billing procedures, he will have sent the First Notices at least 15 days prior to the start of the period. Entries are **not** to be made for those members being billed for the following period. To avoid confusion billing notices should be dated as of the first of the month of the start of the period (such as January 1 or July 1) not the date the bills are being prepared. However, should any portion of the bill remain unpaid into the next audit period, that portion is to be included on the ensuing Audit Report.

ASSETS – "Undeposited Funds: are monies in the possession of either the financial secretary or both.

Assets labeled "Bank Acct." and "Bank – Special Acct." will be the reconciliation of the treasurer's checkbook(s) showing the net cash balance(s). Outstanding checks should be deducted from the bank statement.

“Due From Members” data is obtained from the financial secretary’s Member Ledger records. Refer to “Schedule C – ASSETS AND LIABILITIES” above for guidelines regarding these figures prior to making entries.

One indicator of the financial condition of a council is the number of members in arrears and the amount owed. Be certain to include these figures on the report.

The treasurer will furnish the amounts for “Savings and Investment Accounts” from his cashbook which should show transfers of cash to savings accounts or purchase of investments. If the council owns stocks or bonds, the trustees should make a count of the investments and determine that all earnings on investments are properly credited to the council accounts.

“Total Current Assets” is the total of five previous lines.

LIABILITIES –

Figures for the Liabilities section relative to the council’s obligation to Supreme, state as well as miscellaneous will be supplied by the financial secretary from his records and from unpaid bills in his possession.

Advance payment of dues by members should be included in “Advance Payments By Members.” It is a liability because it represents dues payments not yet chargeable to the members.

When a member is suspended, the amount he owes will appear in the Audit Report for the period in which he was suspended. If using manual accounting system, his Member Ledger should be removed from the council file on or before the end of the period in which he was suspended. FSPC users must delete any outstanding balances from the ledger screen. This procedure will ensure that a billing notice is not produced during the next billing period and eliminates the carry-over from one period to another of uncollectible dues or other charges on members who have been suspended.

The figure for “Total Current Liabilities” is also entered in the Assets column in the space designated “Less Current Liabilities” and is subtracted from “Total Current Assets” to obtain “Net Current Assets.”

If liabilities exceed assets, the “Total Current Assets” should be subtracted from “Current Liabilities” and the resulting figure shown in (parenthesis).