



THE TREASURE TROVE

FEBRUARY 2021

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WORTHY COUNCIL FINANCIAL SECRETARIES & TREASURERS

Welcome to **THE TREASURE TROVE** dedicated to all Council Financial Secretaries & Treasurers but shared with the Council Grand Knight and all District Deputies. You may share this with anyone in your Council, but it relates strictly to your responsibilities in the Council. It is designed to provide Financial and other information on the Rules and Laws of our Order.

Remember...it is your responsibility to ensure that the Council Executive knows, understands, and follows these Laws and Rules.

Sources of Information

Several sources of information are used in the preparation of this newsletter:

- Supreme's Charter Constitution and Laws of the Order. This booklet is printed annually as there may be amendments to the contents...so request the latest version from your Council Advocate
- Officer's Desktop Reference (ODR) – this is a section on Supreme's website containing expanded information on the Rules and Laws of the Order. If you do not have access to the ODR website, ask your Grand Knight to set you up with Supreme
- State By-Laws

OFFICERS DESK REFERENCE (ODR)

On February 8, 2015, the Board of Directors formally affirmed its delegation of authority to the Supreme Advocate to promulgate definitive guidance on the interpretation of the Constitution and Laws of the Order, Laws and Rules Governing the Fourth Degree, Council and Assembly governance, and to publish said definitive guidance on the Officers' Desk Reference (ODR). The guidance published on the Officers' Desk

Reference (ODR) shall be binding on Subordinate Councils of the Knights of Columbus, their officers, and members to the extent set forth by the Supreme Advocate.

The guidance published on the Officers' Desk Reference (ODR) is not intended to be legal advice upon which any person can rely for securing rights or remedies cognizable under the law of any jurisdiction.

The ODR may be accessed off the Supreme website at kofc.org. It is available to Grand Knights, Financial Secretaries, and Advocates at the Council level. The following also have access to the ODR...all District Deputies, State Membership Director, State Program Director, Executive Secretary, and all State Officers.

If you do not have access, then please contact Supreme and obtain the proper access credentials for this site. The ODR provides a wealth of information and complements the Charter, Constitution, and Laws booklet which every Council should also have a copy.

THE COUNCIL FIDUCIARY PROCESS

Accountability and transparency are the hallmarks of Knights of Columbus council operations. Accountability means that justifications for expending any and all funds must be explained clearly and that the officers who expend council moneys -- under authority of their council -- must be identified clearly. Transparency means that members have access to all information regarding the council's receipts and expenditures.

An overview of each council officer's responsibility in the fiduciary process is outlined below:

Grand Knight

- Calls for council votes on motions and resolutions regarding financial transactions.
- Countersigns vouchers.
- Countersigns checks.

Financial Secretary

- Receives all incoming council money and records each transaction.
- Transfers money to the Treasurer and keeps the receipt written by the Treasurer, which is presented to the Grand Knight before the next meeting.

Treasurer

- Receives council money from the Financial Secretary and gives a receipt to the Financial Secretary.
- Deposits council money in authorized council accounts and maintains custody of the funds.
- Presents account deposit slip to the Grand Knight before the next council meeting.
- Pays all council expenditures.
- Keeps records of money received and expended by the council.

Board of Trustees

- Supervises all financial business of the council.
- Audits the accounts of the Financial Secretary and Treasurer semi-annually.
- Ensures that Financial Secretary and Treasurer are properly bonded.

Receipt and Custody of Council Funds

Council moneys are received by the Financial Secretary and transferred to the Treasurer. The Treasurer deposits the money in the council's approved accounts. These steps ensure accountability. Meanwhile, the Financial Secretary maintains receipts to track the exchange of all moneys so that there is a documented chain of custody.

Deposit of Council Funds

Council moneys are deposited by the Treasurer in approved accounts. Council members know that their council's money has been deposited because of the reading of receipts and vouchers of deposit.

The Expenditure of Council Funds: Authorization and Payment

a) Authorization

The baseline rule for the disposition of council funds is that any expenditure of funds must be authorized. Neither the Grand Knight nor any other council officer may disburse council funds without some type of authorization.

b) Payment

The Treasurer makes all payments of orders that are signed by the Financial Secretary and Grand Knight. The Treasurer pays by check, money order, or draft orders that are signed by the Treasurer and countersigned by the Grand Knight.

Accountability and Oversight

The Financial Secretary, Treasurer, and Grand Knight must each keep records documenting the movement of council money; the council must be notified of financial transactions during its meetings; the Board of Trustees conducts a semi-annual audit of the accounts of the Financial Secretary and Treasurer; and the State Deputy, District Deputy, Board of Trustees, and Grand Knight can demand access to and possession of the financial books of the council.

The Responsibilities of the Board of Trustees

Section 145 of Supreme's Constitution and By-Laws establishes a Board of Trustees, consisting of the Grand Knight (chairman) and three elected trustees. The duties of the Board include the following:

- Supervision of all financial business of the council.
- Audit the accounts of the Financial Secretary and Treasurer at least every six months.

- Ensure that the Financial Secretary and Treasurer are properly bonded. Pursuant to Section 130, both the Financial Secretary and the Treasurer are required to be bonded. The Supreme Council Board of Directors has established an **Officer Bonding Program**, which is available to all councils at no cost.

For further information refer to the Supreme's website Officer's Desktop Reference ... go to Financial Issues and locate the entry "9. Audit Requirements/Guidelines."

THE FORUM

This section is designed to share information and feedback with Councils from comments or inquiries sent to the author.

Credit Card Policy

I recently fielded inquiries regarding ordering supplies and payments to Supreme's suppliers. Supreme has changed their mode of ordering and payment of supplies. No longer will a Council be able to order supplies and then have Supreme invoice the Council for the amount owed. Apparently Supreme's generosity has left them in the red with too many Councils not paying the invoice.

Hence Councils are instructed to pay by credit card when an order is placed. This card may be an Executive member's credit card or one owned by the Council.

A council may, by motion of a majority of its members and with the approval of the Board of Trustees, hold a credit and/or debit card in its own name and authorize the Grand Knight, Financial Secretary, and Treasurer ("the cardholders") to use the card to pay council related expenses, provided that the council follows the rules stated below to ensure accountability and transparency. The guidance contained in this entry applies also to assemblies and the corresponding officers (Faithful Navigator, Faithful Purser, Faithful Comptroller, and Trustees).

KC Insurance Coverage

Another inquiry relates to the liability insurance coverage for Councils in our jurisdiction. Scenario... A Council is selling grocery Gift cards and carrying an inventory of \$15K on a given weekend. If the member is robbed or loses the contents whilst in transit is this covered or does the Council require additional private insurance.

Our jurisdiction has full coverage for liability, crime, and volunteer accident & sickness. This covers every Council, Assembly, and every member in our jurisdiction. Councils are not required to, and should not, obtain any private insurance. Here's a brief:

Liability: covers Councils whenever they host an event where there are no liquor sales.

Crime: any crime (i.e.; theft) that a Council may experience

Volunteer Accident & Sickness: covers member while they are performing volunteer services (i.e.; selling tickets in a shopping mall).

For additional information Councils may contact our liability insurance agent via email:

Hendry, Swinton McKenzie Insurance Services
Vince Knight (agent) via email: vknight@hsminsurance.com

OTHER PUBLICATIONS

Over the past years on the State Board I have authored as the State Warden the “**Warden’s Corner**” and as the State Advocate a newsletter “**The Advocate**”. They are filled with important information to assist the Council Warden and Council Advocate in performing their duties. Think of them as training that is not available anywhere else.

The newsletters mentioned in Other Publications and this one are available on our State website kofc.ab.ca under Publications then ‘The Treasure Trove’.

Please direct any questions or comments to my email st2019@kofc.ab.ca

Thank you for your attention...and God Bless.

Vivat Jesus
Sir Knight John Onyskiw
State Treasurer