

HANDBOOK AND GUIDELINES
FOR
LOCAL CHAPTERS



ACFE

Association of Certified Fraud Examiners

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SECTION I

INTRODUCTION

The Association of Certified Fraud Examiners (ACFE) encourages Certified Fraud Examiners (CFEs) to form and support local chapters. Such opportunities afford fraud examiners significant professional interaction and education, thereby raising the level of competence within the profession.

This handbook was prepared to assist ACFE members in starting a local chapter and help other members improve their existing local chapters. This book is intended for potential and current leaders of a local chapter, including the Officers, Directors, and Committee Members.

Chapters can be as simple, or as complex, as necessary. But, as this book illustrates, it takes a lot of spirit, creativity, and teamwork to get a chapter started and to keep it growing. It takes a lot of ideas and input from many different individuals to be successful.

This book compiles information about local chapters. These ideas have been contributed by many past and current leaders of the local chapters of the ACFE and other professional organizations.

This handbook includes some general suggestions and may not be appropriate for all chapters. However, there are several requirements the chapter must complete in a timely manner.

Each chapter is provided a copy of this book. Chapter officers and committee members may make copies to use for their chapter activities. It is the responsibility of outgoing chapter officers to ensure this handbook is passed on to incoming officers.

Members' participation in the various activities of the Chapters and the ACFE will ensure a successful organization.

Within this text is some recurring terminology:

- “Association” or “ACFE” refers to the ACFE (A Non-Profit Corporation).
- “Chapter” refers to the individual local organizations authorized by the ACFE.
- “CFE” refers to Certified Fraud Examiner, “CFEs” is the plural form.
- “Corporation” refers to the ACFE, Inc., a Texas for-profit corporation.

If you have any questions or suggestions regarding any of the material contained in this Chapter Handbook, please call or write the Chapter Liaison Manager at the ACFE at the address below.

ACFE HEADQUARTERS

The mailing address and phone numbers for the ACFE headquarters are:

**ACFE
The Gregor Building
716 West Avenue
Austin, TX 78701 USA
U.S. and Canada Toll-Free Telephone Number: (800) 245-3321
Telephone Number: (512) 478-9000 Facsimile Number: (512) 478-9297
E-mail: info@ACFE.com**

Visitors are encouraged and always welcome to visit ACFE headquarters and meet the staff during regular business hours. Please call ahead if you would like to meet with a specific staff member.

ACFE MISSION STATEMENT

The ACFE is the professional organization for fraud examiners. The mission of the ACFE is to reduce the incidence of fraud and white-collar crime, and to assist the membership in its detection and deterrence.

To accomplish its mission, the ACFE:

1. Provides bona fide qualifications for Certified Fraud Examiners (CFEs) through administration of the Uniform CFE Examination;
2. Sets high standards for admission, including demonstrated competence through mandatory continuing professional education;
3. Requires CFEs to adhere to a strict code of professional conduct and ethics;
4. Serves as the international representative for Certified Fraud Examiners to business and government; and
5. Provides leadership to inspire public confidence in the integrity, objectivity, and professionalism of Certified Fraud Examiners.

The ACFE requires all chapter officers, directors, and members to acknowledge the Mission Statement of the ACFE and abide by the Code of Professional Ethics.

MISSION OF LOCAL CHAPTERS

Serve the Community

Local chapters should develop a program to serve the community.

The chapter should provide speakers for community organizations and provide articles and press releases on fraud related topics. Contact your members and ask them what topics they would be willing to speak about. Keep the information on file and use it when other community organizations ask for assistance. Local chapters may also donate money or services to approved charitable or community services within their particular catchment areas.

Promote Member Interaction

In the course of chapter training sessions, meetings, and seminars, time should be allotted specifically to promote member interaction. A big benefit has been the networking opportunities available to members. Give your members time to mix and socialize before and after the meeting. This social time can lead to mutual help – one member’s experience can provide the answer to another’s problem. Social interaction can also promote an easier exchange of ideas among members with different backgrounds and professions.

Maintain a Membership Directory

A membership directory should be updated annually to provide networking information to members. The Officers and Directors frequently receive phone calls from members and act as a clearinghouse for information.

The best time to print a chapter directory is right after your chapter has had an active membership drive to attract new members. It often helps in getting members to renew their membership if they are aware their name and business will be published within the Chapter Directory.

Always provide ACFE headquarters with a copy of the latest membership directory.

The following should appear at the front of your directory:

“No part of this directory may be reproduced, used for mailing lists preparations, used for promotional mailings, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise without prior written permission of the ACFE.”

Hand out the chapter directory at chapter meetings, this will encourage members to attend. Print some extra copies of the directory so they will be available to new members who join your chapter during the year.

Items that should be included in a chapter directory:

- The chapter name on the front cover.
- The ACFE seal on the front cover.
- Colored paper stock (at least on the cover) to make the directory easy to find.
- A Table of Contents.
- Name and phone numbers of the current officers and directors.
- Past Presidents and term in office.
- The chapter President welcoming letter.
- The Certified Fraud Examiner Code of Professional Ethics.
- The chapter bylaws.
- Alphabetical list of the membership, including first name, last name, nick name, certifications, employer, telephone numbers, facsimile numbers, and e-mail address.
- **Print their names in bold type.**
- Alphabetical listing of organizations and their employees who belong to the chapter. Include a section for retired members, and Educator and student members.
- The Chapter mission and its goals.
- Chapter committees, chairpersons, members, and their phone numbers, and a brief description of what activities each chapter performs.
- ACFE headquarters address and phone numbers.
- A “Change of Information” form so that members can submit updated information to be included in the next chapter newsletter and the next Chapter Directory revision.
- Acronyms listing for your chapter members’ professional designations, and the full title of each designation.
- A Chapter membership application.
- Chapter mailing address and telephone number.
- Chapter organizational chart.
- The history of the Chapter.
- List of requirements to become a CFE.
- Continuing Professional Education (CPE) reporting requirements.

The ACFE membership directory is available to members and is located at www.ACFE.com. This directory can be accessed by members only and requires an assigned password. To obtain your password, just call the ACFE at (800) 245-3321. The ACFE Membership Directory contains the names and telephone numbers of CFEs, Associates, and others who value their privacy. Since the ACFE endeavours to protect this personal information, you may not use the directory or any portion thereof for solicitations to members without prior headquarters approval.

Contribute to the Common Body of Knowledge (CBOK)

Since its formation, the ACFE has developed and presented the basic training for Certified Fraud Examiners through its conferences and seminars. Basic fraud training consists of the common body of knowledge (CBOK) in fraud examination, contained primarily in the *Fraud Examiners Manual*. The CBOK is divided into four fields:

- Investigation of fraud
- Legal elements of fraud
- Criminology and ethics for fraud examiners
- Fraudulent financial transactions and fraud schemes

Knowledge of this same material is required for the *CFE Examination*.

Chapters are strongly encouraged to provide training covering CBOK topics.

SECTION II

FORMING A LOCAL CHAPTER

INITIAL CONTACT WITH HEADQUARTERS

To obtain information regarding current chapters or inquire about the formation of a new chapter, contact the ACFE's Chapter Liaison Manager. Local chapters of the ACFE are located in many of the major population areas of the world. The ACFE's home page (www.ACFE.com) contains a list of chapters and the chapter officers. The Chapter Liaison Manager can be reached at chapters@ACFE.com.

CRITERIA FOR FORMING LOCAL CHAPTERS

1. At least ten (10) CFEs from a given area must agree to form a local chapter.
2. No profit may be derived by any CFE from chapter activities, and all funds must be used to support the local chapter. Directives for use of funds are set by the ACFE.
3. Each chapter, upon being formed, must elect at a minimum, a President, a Vice President, and a Secretary/Treasurer. Interim officers' terms of office must not exceed one year or until elections are held and permanent officers take office. The ACFE must ratify the proposed officers.
4. Chapter activities shall be voted upon and approved by a majority of members in that chapter.
5. Chapters will keep accurate records of attendance, receipts, disbursements, and other necessary and ordinary business records. The filing of appropriate tax returns and similar documents, if any, is the responsibility of the local chapter. Financial reports and returns will also be filed yearly with the ACFE.
6. If credit for continuing education (CPE) is awarded for local chapter attendance, such credit will conform to appropriate criteria. Local chapter training must be approved, **in advance**, by the ACFE.
7. Local chapters must hold at least **four** meetings annually.
8. Membership in the chapter is limited to CFE and Associate members of the ACFE. Non ACFE members may attend meetings, but they cannot belong to the local chapter.

PETITION TO FORM A LOCAL CHAPTER

The Petition to Form a Local Chapter requires the names and signatures of at least ten (10) active Certified Fraud Examiners. Additional signatures may be obtained and submitted.

Obtaining Signatures for the Petition

Contact the ACFE's Chapter Liaison Manager for some ideas on how to get started. Mailing lists of names contained in your area in the ACFE's database are available and can be selected from the desired areas or zip codes.

Do not sell or otherwise furnish your mailing lists to outsiders. You have very confidential information about the employment, home telephone numbers, and addresses of your members.

The ACFE can provide mailing lists in Excel format. From this file, mail merges and membership lists can be prepared as well as envelopes.

Consider drafting a letter and questionnaire to send to potential members. Put together a mailing list of persons or organizations who might be interested in participating in a local chapter.

After your initial formation meeting, ask other professional organizations if you can use their mailing lists to target new qualified people. Some will allow the use of their lists, while others will not. Take caution not to violate any copyright privileges associated with any mailing lists.

Periodic Meetings

The ACFE requires the chapter hold a minimum of four (4) training sessions per year. The majority of the local chapters, however, hold at least 8 training sessions plus one annual training session in conjunction with the ACFE.

Forwarding the Petition for Approval

Once the petition to form a local chapter is completed, the interim officers are designated, and the other requirements above have been met, the information should be mailed to the ACFE's Chapter Liaison Manager.

The petition to form a local chapter is reviewed to verify that all those signing the petition agree to all of the terms, conditions, and requirements regarding the operation, reporting, and training functions of the chapter.

CHAPTER BYLAWS

Uniform Chapter Bylaws

All chapters formed under the ACFE name are required to adopt these chapter bylaws in their entirety.

Modification of Bylaws

Since it is intended that the Uniform Bylaws be adopted in their entirety, any intended modifications, amendments, additions, or deletions to the Uniform Chapter Bylaws must first be presented to and approval obtained from the Corporation prior to presentation to the Chapter Membership. Any such modifications, amendments, additions, or deletions to the bylaws having been approved by the Corporation shall be made only by a quorum present at the Annual Local Chapter Meeting, with two-thirds of the Members approving such amendments, additions, or deletions.

Chapter Record Keeping

Local Chapters are required to maintain certain records and submit these records annually to the Chapter Liaison Manager. (See Section V.)

INTERIM OFFICERS

Officers Required

Every local chapter will have, at a minimum, a President, Vice President, and a Secretary/Treasurer. The chapter may elect both a Secretary and a Treasurer at its option. Other officers may be established at the local chapter's discretion. The position of Designated Chapter Training Director should be filled as soon as the chapter is formed.

Procedures for Installing Officers

At the first meeting of newly forming chapters, attendees can be asked who would be willing to serve as chapter officers on an interim basis. You can have an election during the first meeting to confirm these interim officers. These interim officers will serve until the first regularly scheduled election for the chapter to install permanent officers.

Attendance

Officers are required to attend at least fifty (50) percent of all Chapter meetings. Any officer who has failed to attend the required number of meetings may be removed by a majority vote of the Board of Directors.

INITIAL FUNDING

Requesting Initial Funding

Those members electing to form local chapters will be given organizational assistance during the first year of formation. This includes reasonable and necessary incidental expenses (up to US\$500.00), such as local advertising, office supplies, and printing. Budgets for such items, as well as advertising copy, must be approved in advance by the Chapter Liaison Manager. For reimbursement from the Corporation, submit a letter requesting the funds (US\$500.00) be disbursed.

Establishing a Checking Account

To protect Chapter funds, it is wise to require two signatures on the checks. Check with different financial institutions to find the best match for the Chapter. Compare the service fees. Some banks may offer free checking accounts if the chapter is a non-profit organization, or if one of your chapter members has an existing relationship with the bank.

INCORPORATION

Local chapters are required to incorporate as a non-profit (also referred to as a not-for-profit) corporation. By incorporating the chapter, the officers and members can avoid personal liability for the chapter's debts and obligations. For example, if a non-incorporated chapter contracts for goods or services and fails to pay, the officers of the corporation and/or the members may be held personally liable for those obligations. Therefore, chapters should always incorporate if possible.

However, there may be instances in which the chapter is too small to justify incorporation. If a chapter does not wish to incorporate, it must contact the Chapter Liaison Manager for a waiver of this requirement. If a chapter is given a waiver of incorporation, the chapter officers must still file an Assumed Name or "DBA" filing with their county clerk's office and/or Secretary of State.

Please note that these instructions are for U.S. chapters. Chapters outside the U.S. should consult their corresponding national and local authorities for similar information.

Contact the Secretary of State

The first step in the incorporation process is to contact the Secretary of State or State Corporations Department for your state. A list of the names and telephone numbers for every state's corporation department is provided in the Appendix. The Secretary of State's office can provide you with all of the materials you need to register your non-profit corporation with that state.

You must file your Articles of Incorporation with the Secretary of State.

Contact the Internal Revenue Service

The second step is to contact your local IRS office to request tax exemption.

Even though your corporation is set up as a non-profit, you must apply for tax-exempt status with the IRS. Section 501(c) of the Internal Revenue Code lists those entities that qualify for tax-exempt status. Section 501(c)(6) provides tax-exempt status for business leagues and trade associations. Contact your local IRS office and request a copy of Form 1024. This form will contain instructions and an application to submit to the IRS.

Contact Your State Revenue Department

Third, contact your state revenue department for information about state taxes. You will generally have to file a state income tax or a state franchise tax annually. However, you can apply for tax-exempt status by filing the proper form with the revenue department.

Additionally, your chapter, whether incorporated or not, may be liable for the collection of sales and/or use taxes. The state revenue department can provide you with information about the collection and reporting of sales taxes.

SECTION III

RESPONSIBILITIES OF LOCAL CHAPTERS

CHAPTER MEETINGS

Frequency of Meetings

Many chapters try to meet once a month which provides the best method for keeping the chapter active. However, for those chapters where the members are located in a wide area, or in areas of sparse population, it may be more practical to meet quarterly.

Duration of Meetings

The formal luncheon meeting must be a minimum of one training hour (50 minutes). All chapter training, other than monthly meetings, must be approved at least sixty (60) days in advance of any announcement of the course.

ELECTION OF OFFICERS AND ANNUAL MEETING

Members Eligible to Vote

All Certified Fraud Examiners in good standing with headquarters, who are members of the local chapter, and who are current in dues for the local chapter are eligible to vote. The Board of Directors, by a majority vote, may grant associate members the right to vote.

Election of Officers

The officers of the chapter shall be elected for two year terms by a plurality of the votes of members responding to a ballot sent to all members at least 30 days before the election of officers. A copy of the ballot should also be sent to headquarters.

Annual Meeting

The annual meeting of the total membership of the local chapter shall be held for the purpose of announcing the election results of officers and directors; the installation of the officers and directors; and transacting such other business as deemed appropriate by the Board of Directors. Headquarters should be promptly notified of new officers.

The annual meeting shall be held each year at a time and place specified by the Board of Directors. All members must be notified in writing of the time and place of the annual meeting at least sixty (60) days in advance.

All members in good standing and present in person shall be eligible to vote at the annual meeting. A quorum shall be constituted of at least ten (10) percent of those members eligible to vote. All business coming before the members for approval shall be approved by a majority of those present in person unless otherwise required by the bylaws.

BOARD OF DIRECTORS MEETINGS

The Board of Directors shall meet at least twice a year at times and places they may choose. At such meetings, a quorum must be present to conduct business coming before the board. The meetings shall be conducted under the rules contained in Robert's Rules of Order unless those rules are in conflict with the bylaws, in which case the bylaws shall take precedence.

In all meetings of the Board, the President shall preside. In their absence, the Vice President, the Secretary, or the Treasurer, in that order, shall preside. Appropriate notice of the meetings of the Board shall be furnished to each member of the Board at least ten days in advance. A special meeting may be called by the President, or by any three Board Members under the provisions of the bylaws.

COMMUNITY SERVICE

Public Education

The members of local chapters of the ACFE, Inc. have a responsibility for providing fraud awareness education to the public. Members may be frequently called upon to speak to various groups and organizations on fraud related topics.

Higher Education

Many chapters are already actively involved with the colleges and universities in their communities. The schools of business and accountancy within those institutions of higher education are usually very receptive to any additional points of education for their students. Several local chapters even have student chapters of the ACFE within the university that they oversee and monitor.

Local chapters are encouraged to develop close relationships with those schools in their area and to encourage those students interested in forensic accounting, auditing, criminology, or law enforcement to become involved in the chapter.

Liaison with Other Professional Organizations

Local Better Business Bureau offices in many cities hold regular meetings and are always receptive to new speakers and topics. They are also very concerned about scams, frauds and technology crimes that they can forewarn the public about. There are many other professional organizations local chapters of the ACFE should contact and invite to the training sessions:

- American Institute of Certified Public Accountants
- Institute of Internal Auditors
- American Society for Industrial Security
- Canadian Institute of Chartered Accountants
- Association of Government Auditors
- Neighborhood Groups or Organizations
- State and Local Bar Associations
- Local Special Investigative Units
- State/Provincial Banking Associations

Liaison with Law Enforcement

It is important to have the involvement of individuals from law enforcement within your chapter. By the very nature of the type of work CFEs do, cases may end up being investigated by the police or other agencies and being prosecuted by federal or local prosecutors.

Members of the local chapter should know who they can turn to with questions pertaining to the proper venue for possible prosecution of investigations. The local chapter should also consider that many local law enforcement detectives whose primary duties are white-collar crime investigations, have little, if any, formal training in this area, but who know from experience what it takes to prove and successfully prosecute white-collar crime cases. Their association with your chapter will be of considerable assistance to them. Attorneys (both government and private) are often eager to speak to chapters. It is a good idea to keep them on the chapter mailing list so they will receive the chapter newsletter and also notices of future training.

MEMBERSHIP DEVELOPMENT

Seeking New Members

It only takes ten Certified Fraud Examiners to form a local chapter, but try to get more ACFE members to join. This will give the chapter better exposure and develop greater interest in chapter activities. Draw your members from a broad base of organizations. This will provide your chapter with cultural diversity and give you a wide range of professional talents upon which to draw.

Solicit ACFE members from municipal and state/provincial agencies that have responsibilities for investigating fraud, such as:

- Local Police Departments
- Consumer Affairs Divisions
- State/Provincial Health and Welfare Division
- State/Provincial Police
- State/Provincial Bureau of Investigations
- State/Provincial Department of Insurance Investigators

Solicit ACFE members from federal and international agencies such as:

- Federal Bureau of Investigation
- Treasury Department
- Interpol
- Postal inspectors
- Taxing authorities
- Drug Enforcement Agency
- Federal prosecutors
- Customs Service
- Defense agencies
- Offices of the Inspector General

Solicit ACFE members from the private sector:

- Schools of business at local colleges and universities
- Security Directors of large corporations in your area
- Local members of the American Society of Industrial Security
- Bank Security Directors
- Private investigators who specialize in fraud related matters
- Insurance company special investigators
- Certified Public Accountants
- Chartered Accountants
- Members of the local Bar Association
- Internal Auditors of organizations in your area

Career Opportunities

In addition to having access to training sessions and Continuing Professional Education, most local chapter members rely heavily on the networking and career opportunities offered at the local chapter level.

Chapter leaders should consider establishing a chapter job bank to provide an employment network for potential employers and job-seeking members. The job bank could be used as a free referral service for your members for both full and part-time positions, special engagements, and contracts.

Such a job bank should be promoted throughout the professional community. Brochures can be printed detailing the types of services Certified Fraud Examiners can provide. Include as a part of the brochure the CFE Code of Professional Ethics.

Send letters and a brochure to employers in your area to let them know about the ACFE, the local chapter, and the pool of talented members. Keep the list of employers and applicants as current as possible and update at least quarterly.

A summary of available positions and available members in your chapter should be printed in the chapter newsletter. The local job bank should also be handled with the strictest confidence. Sensitive information should not be released without permission.

The ACFE's Career Center

The ACFE also provides job listings for its members. The job listings are located on the ACFE web page (www.ACFE.com) and is for members only. Both job listings and consulting listings are available. The career center was created to assist employers in locating skilled professionals from the ACFE's membership, and to assist members in their search for positions. This service is free to all members.

Media Contacts

Local chapters should inform local television, radio stations, and newspapers of the presence of their chapter. Often times the local media will produce specialized programs or talk shows and will need individuals familiar with white-collar crime.

SECTION IV

LOCAL CHAPTER TRAINING

PURPOSES OF LOCAL CHAPTER TRAINING

1. Provide knowledge concerning fraud examination skills to chapter members and others interested in furthering their education in the field of the detection and deterrence of white-collar crime.
2. Prepare chapter members and others for the Uniform CFE Examination by using the *Fraud Examiners Manual* and other study references.
3. Identify education issues within the chapter membership by means of surveys and questionnaires. Also survey local industries and government agencies for suggestions or needs within their environment in the areas of fraud. Prepare a letter as a means of introducing the local chapter to various agencies and companies in the area. Local newspapers should be contacted and asked to publish chapter meeting information. Law enforcement agencies, prosecutors' offices, senior citizens groups, and other volunteer organizations should be contacted for any special educational needs.
4. Promote member interaction by encouraging members to participate in building the chapter by being a member of one or more committees. Also, chapter members with expertise in particular areas should be encouraged to instruct and train others in those fields.

TYPES OF TRAINING

Periodic Meetings

All local chapters of the ACFE are required to have at least four meetings per year. Most chapters have more than the minimum. Some chapters have meetings every month. These meetings are generally one hour in length and use the "one speaker" format, whereas a singular speaker presents a particular topic to the attendees.

Speakers should be invited and scheduled as far in advance as possible. This allows the speaker plenty of time to rearrange his or her work schedule. More chapter members will likely attend if they know the subject matter and speaker a few months in advance.

Put all speakers on the newsletter mailing list. This will help them to get to know about the ACFE and the local chapter and the audience. Often, a speaker will become interested enough to join the chapter.

One-Hour Training Sessions

The majority of training sessions put on by local chapters will be one hour in length. NASBA (National Association of State Boards of Accountancy) requires that to receive one hour of CPE (continuing professional education) training programs shall be at least fifty (50) minutes long.

It is not required that the Designated Chapter Training Director submit a *Local Chapter Training Request Form* for training sessions one hour in length. It is, however, required that subsequent to any one-hour training session, a *Local Chapter Training Report Form* be completed and forwarded to the Chapter Liaison Manager along with a copy of the attendance sign-in sheet(s) for that particular meeting.

For the most part, one-hour training sessions should include local speakers.

Training Days

Local chapters of the ACFE are encouraged to hold a 1-day training event each year. Additional training days may be conducted with the approval of Headquarters. The ACFE's Chapter Liaison Manager should be notified no later than 60 days prior to the date of any proposed training and prior to any publicizing of the training event. The Local Chapter Training Day should be promoted only within the chapter's immediate catchment area. Each chapter's catchment area is that area within close proximity to the centralized location of the chapter and will not encroach into another local chapter's catchment area.

Although chapters may include advanced-level subjects in their training, chapters should also include instruction in the basic areas of fraud examination covered by the *Fraud Examiners Manual* and referred to as the Common Body of Knowledge (CBOK). Chapters have a responsibility to provide basic fraud training in those areas of investigation, legal elements, criminology and ethics, and fraudulent financial transactions so that new members or prospective members can learn the basic techniques of fraud examination. Limiting your training solely to advanced topics will discourage persons without experience from attending.

One-day chapter training programs can be in conjunction with other local professional organizations such as the Institute of Internal Auditors, the American Institute of Certified Public Accountants, or others.

All chapter training must be conducted under the supervision of the Designated Chapter Training Director. The Training Director will also communicate to the Corporation all details of chapter training including the speakers, topics, and amounts of continuing professional education credits allotted for the training.

Chapter Video Library

The ACFE makes available to local chapters a full set of video training tapes on permanent loan. These training tapes can be used by themselves or in conjunction with a speaker. For every training session, a video and prepared presentation should be available in the event a scheduled speaker is for some reason unable to attend as planned.

Ask the local offices of the FBI, the IRS, and other law enforcement agencies for video tapes they might let the chapter use for training.

There are also several video tapes available for purchase from The Institute of Internal Auditors, Customer Service Center, P.O. Box 140099, Orlando, FL 32889-0003, telephone number: (407) 830-7600. The video titles are:

- "A New Look at Ethics and Fraud"
- "Audit Interview Techniques: Improving Your Skills"
- "Audit Evidence"

The National Institute for Trial Advocacy, Notre Dame Law School, Notre Dame, IN 46556-6500, telephone number: (800) 225-6482, has an extensive list of video tapes available which mostly deal with courtroom and deposition situations.

ACFE/ Chapter Co-Sponsored Training Seminars

Local chapters wishing to joint venture a two-day training seminar in their area should contact the ACFE's Chapter Liaison Manager. In order to qualify for sharing of the proceeds, the local chapter must meet the following requirements:

1. The local chapter will provide an updated chapter list and assist in obtaining other local professional organizations' chapter lists that might have interest (i.e., IIA, ASIS, AICPA, CGFM, etc.).
2. The mailing lists must be received at the ACFE office three months prior to the seminar date.
3. The local chapter will promote the seminar training through their local newsletter and make announcements at their local meetings.
4. The local chapter will assist the ACFE in obtaining public relations efforts (i.e., newspaper articles, radio and television announcements, etc.).
5. The local chapter will provide a minimum of two individuals to handle registration during both days and to assist with other administrative duties.

ACFE Training

Additionally, the ACFE provides a variety of seminars and conferences ranging from one to five days. In general, these conferences and seminars are one of four basic types: (1) the Annual Conference; (2) regional conferences outside the United States; (3) Principals of Fraud and Solving the Case (offered only in Austin); and (4) seminars (one and two days in length), done in conjunction with the local chapters throughout the world.

THE DESIGNATED CHAPTER TRAINING DIRECTOR

The qualifications for the Designated Chapter Training Director (CTD) are:

- A Certified Fraud Examiner in good standing.
- The CTD should be a past Chapter Officer or Director and be able to perform the duties of the Designated Chapter Training Director for a minimum of 3 years.
- Experience with public speaking.

The responsibilities of the Designated Chapter Training Director are:

- Know the necessary elements to effectively train all CFEs and candidates for the Uniform CFE Examination.
- The CTD will be familiar with all training issues in the chapter.
- The CTD will take the responsibility for administering headquarters guidelines.
- Keep the ACFE informed of all chapter training sessions and issues in a timely manner.
- Prepare and submit all necessary chapter training forms as required within the required time span.
- Coordinate with the ACFE all training seminars in excess of one day and obtain sufficient chapter staff to assist in registration and other related duties.
- Maintain all chapter records pertaining to chapter training by date, topic, instructor, amount of continuing professional education earned, and overall evaluation ratings.

- The CTD should maintain communications with local universities and colleges to coordinate potential training opportunities within the schools of business, etc.
- The CTD will be familiar with the contents of the *Fraud Examiners Manual* in order to prepare course material for training from particular sections.
- Maintain the local chapter video library.
- Communicate to the ACFE the names of chapter members nominated for special awards and the names of any recipients of any other awards or certificates.
- Ensure that all training attendees receive certificates of attendance indicating the course name and amount of Continuing Professional Education earned by attending the training.
- Maintain the chapter historical files and photos.
- Assume such other duties as deemed necessary by the Board of Regents.

The Designated Chapter Training Director shall have the following authority:

- To coordinate with the Chapter Officers and Directors the training programs for the chapter.
- To enter into agreements, with the approval of the chapter's Board of Directors, pertaining to holding joint venture training with the ACFE.

CHAPTER TRAINING APPROVAL REQUIREMENTS

In order for CPAs to obtain CPE credit for training programs, the sponsor of the program must be registered with the National Association of State Boards of Accountancy (NASBA). The ACFE is registered with NASBA, which means the ACFE must comply with the strict requirements instituted by NASBA. The local chapters are allowed to use the ACFE's sponsorship number only if the chapter follows the requirements listed below.

All local chapter training in excess of one hour must be approved in advance by the ACFE. For those training sessions in excess of one hour, the Designated Chapter Training Director will be required to submit the following records to the ACFE's Chapter Liaison Manager:

1. Local Chapter Training Reporting Form.

2. Training Evaluation Forms
3. Training Attendance Forms

The Local Chapter Training Request Form must be submitted by the Designated Chapter Training Director to the ACFE's Chapter Liaison Manager at least 60 days prior to preferred training dates. This form must be submitted for approval prior to any advertising or publication of the proposed training.

After the training is completed, the CTD should forward copies of the Training Evaluation Forms and the Training Attendance forms to the ACFE immediately following the training. The CTD should also maintain copies of the attendance/sign-in sheets and other information in the chapters training records.

If the chapter fails to submit any of these forms, then the ACFE cannot approve the training for CPE credit either for NASBA or the ACFE.

CHECKLISTS FOR EVALUATING LOCAL CHAPTER TRAINING

After conducting a training session, use the following items to evaluate your program:

- Was the training fraud related?
- Was the speaker prepared?
- Was the topic presented in an interesting manner?
- Was the topic covered sufficiently?
- Was the training session at least fifty (50) minutes in length?
- Was the training program educational?
- Was the facility adequate for the type and number of training?
- Was the training beneficial to the attendees?
- Were Training Evaluation Forms completed?
- Were the Attendance forms completed?
- Were the Evaluation and Attendance Forms sent to the Association?

SECTION V

CHAPTER LEGAL AND FINANCIAL ISSUES

RECORDKEEPING

Local chapters of the ACFE are required to maintain records of all aspects of chapter business. The Secretary shall be responsible for all records, other than financial, maintained by the local chapter. The Treasurer shall be responsible for all financial records maintained by the local chapter. All records maintained by the local chapters shall be made available to the Corporation or its representative upon reasonable request.

As an internal control structure, all disbursements must be properly approved. As an oversight measure, the local chapters Board of Directors must be kept advised of the status of the accounting of funds and otherwise perform appropriate duties to see that the assets of the chapter are properly safeguarded. Additionally, copies of the financial statements must be sent to Headquarters for review.

Custody of Funds

All moneys received by the local chapter as well as disbursements therefrom, is the responsibility of the Treasurer. He or she will see that any funds received are properly deposited for safekeeping to the credit of the local chapter.

Receipts

Local chapters may collect and deposit funds which come from several different sources. Some items to include in the chapter budget should be:

1. Revenue
 - Chapter membership dues
 - Fees for regular meetings
 - Fees for meals
 - Fees for seminars
 - Donations for paper and printing
 - Donations for postage
 - Miscellaneous income

2. Disbursements

- Bookkeeping supplies
- Banking supplies and service charges
- Administrative supplies
- Telephone charges and expenses
- Newsletter paper and printing
- Newsletter postage
- Cost of meals
- Cost of meeting room rentals
- Travel – airfare, hotels, meals, etc.
- Advertising
- Audio-video equipment rental
- Stationery supplies
- Speakers fees and/or gifts
- Awards for members
- Scholarship funding
- Merchandise – shirts, mugs, pins, etc.
- Miscellaneous

The Treasurer should prepare an annual budget for the chapter. The budget should be discussed at the beginning of each year with the Board of Directors.

Prohibited disbursements from chapter accounts include:

- Political contributions
- Criminal or civil defense funds
- Payments to sources and informants
- Payments or other compensation for chapter members other than reimbursements for chapter expenses

TAX RETURNS

As described in Section II, it is the responsibility of chapter officers and directors to contact the Internal Revenue Service, Revenue Canada, or other applicable taxing authority concerning the filing of tax returns and applying for tax-exempt status. Every local chapter of the ACFE is required to submit to the ACFE's Chapter Liaison Manager a copy of the chapter's federal income tax return and an annual financial statement containing all of the records pertaining to chapter receipts and expenditures. A copy of the return should be sent to headquarters immediately upon filing the return.

Additionally, chapters may be required to file state or local income or franchise tax returns annually. They may also be required to file state sales tax returns. Copies of all state tax returns or reports should be submitted to the ACFE's Chapter Liaison Manager within 15 days of filing the returns with the taxing authority.

For more information about tax-related filings, see Section II.

TRADEMARK LICENSE AGREEMENT

The names Association of Certified Fraud Examiners, Certified Fraud Examiner (CFE) and the seals and logos used in connection therewith are the trademarks of the Corporation. U.S. federal trademark law requires that the Corporation follow strict guidelines in licensing and monitoring the use of these marks. Therefore, all chapters are required to execute a Trademark License Agreement, a copy of which is included in the Appendix. The Agreement must be signed by a chapter officer and submitted to the Chapter Liaison Manager.

ACCESS TO CHAPTER RECORDS

The Board of Directors shall make available all financial records of the local chapter to any local chapter Member, to the ACFE, or to any member of the Board of Regents upon reasonable notice.

CHAPTER DISSOLUTION

A Chapter may only be dissolved (or dissociated from the ACFE) by the consent of a majority of the entire membership. The vote to dissolve must be by written ballot, and it must be approved by a two-thirds majority of the members eligible to vote.

It is the responsibility of the officers of the Chapter to use the Chapter funds to pay any outstanding debts or obligations. If a surplus remains, then it shall be donated to the Ritchie-Jennings Scholarship Fund (formerly the CFE Scholarship Fund) as provided in the Bylaws and Articles of Incorporation.

Upon dissolution, the officers shall destroy or return to the ACFE all letterhead stationery, or other items bearing the name of the chapter or the ACFE in any form or fashion. The officers shall also file the appropriate documents with the state corporations agency and the state and federal taxing authorities. Once the affairs of the Chapter are wrapped up, the officers shall send the following to the Corporation: (1) a list of the names and addresses of the members at the time of dissolution; (2) a copy of the certificate of dissolution issued by the state; (3) copies of the final tax returns for all taxing authorities; (4) a statement that all items bearing the name of the chapter or the ACFE are enclosed or have been destroyed and that the name will no longer be used in connection with the Chapter.

REPORTING REQUIREMENTS: SUMMARY

Every local chapter of the ACFE shall submit timely reports to the ACFE's Chapter Liaison Manager pertaining to the following activities:

- Local Chapter Training Request Forms for all chapter training in excess of one (1) hour presented by the Local Chapter must be submitted no later than sixty (60) days prior to any advertisement or promotion of the training. (see Appendix)
- Local Chapter Training Reporting Forms for every chapter training session. (see Appendix)
- Training Evaluation Forms for every chapter training session. (see Appendix)
- Training Attendance Forms for every chapter training session. (see Appendix)
- Copies of all chapter training promotional material proposed to advertise and promote chapter training sessions.
- Copies of each issue of the chapter newsletter
- Annual chapter financial reports.
- Annual chapter membership listing.
- Minutes of Chapter Officers or Board of Directors meetings held.
- Results of yearly officer elections should be reported no later than June 15th of each year.
- Any other records pertaining to the operation and training functions of the local chapter.

The checklist on the following page should be used to make sure that all of the required reports are furnished.

THE ACFE

CHECKLIST FOR CHAPTER REPORTS

1. Financial Statements (Due: September 1 of each year)
 - Balance Sheet
 - Income Statement
 - Audit Reports
 - Other _____

2. Tax Returns (Due: within 15 days of filing)
 - Federal tax
 - State income/corporate tax
 - State sales tax
 - Other _____

3. Membership Reports (Due: June 15 of each year)
 - Incoming Chapter Officers
 - Incoming Board of Directors
 - Name of Designated Chapter Training Director
 - Number of members – Beginning of period and end of period
 - Number of new members
 - Names of members
 - Other _____

4. Training Report
 - Number of one hour training sessions held
 - Number of training sessions in excess of one hour
 - Number of Continuing Professional Education credits available
 - Speakers/Programs
 - Training Reporting Form for each training
 - Training Evaluation Forms for each training
 - Training Attendance Forms for each training

5. Community Service Report
 - Projects sponsored/co-sponsored
 - Projects completed/pending
 - Scholarships offered (amounts)
 - Scholarships awarded (provide names)

6. Chapter Legal Documents *

- Articles of Incorporation
- Local “DBA” filings (if not incorporated)
- State filings
- Federal filings
- Bylaws
- Trademark License Agreement

* These records need only be submitted once.

SECTION VI

OTHER ADMINISTRATIVE MATTERS

INSURANCE

The local chapter will be fully and solely responsible for its own legal and financial affairs, and shall hold harmless the Corporation, by reason of their affiliation, from any lawsuits, damages, other expense or liabilities arising out of the activities of the local chapter.

The Corporation may procure liability insurance for local chapters, and the chapters agree to pay all reasonable premiums for such insurance.

SCHOLARSHIPS

Local Scholarship Program

Local chapters of the ACFE will set up a scholarship fund to encourage further education in fraud detection and prevention. Scholarships can be established for any amount.

Scholarships might be granted to:

- Attend specific college programs or courses.
- Attend ACFE seminars, symposiums, and conferences.
- Attend Chapter Training Day seminars.
- Study for the CFE Examination.
- Conduct fraud-related research.

To increase the scholarship fund the local chapter could:

- Allocate a specific amount from the chapter's General Fund.
- Solicit donations from employers and members.
- Establish an annuity.
- On your chapter membership application and billing, request an optional contribution to the scholarship fund in increments of \$10, \$20, or more.

- Contribute the proceeds, or a portion, from a chapter-sponsored seminar.

Scholarships could be named in honor of:

- The chapter.
- A past chapter leader.
- A popular or respected chapter member or officer who is now deceased.

Contact the scholarship offices at your local university or community college. Their scholarship coordinator can provide information about how to set up a scholarship fund. They can provide ideas for scholarship criteria, and applications for funding the scholarship, and applications for receiving the scholarship.

Some of the common criteria the chapter could consider in developing a scholarship are:

- City or state residency.
- Cumulative grade point average (3.0 minimum recommended).
- Major concentration of studies, such as accounting, law, criminal justice.
- Financial needs.
- Full time or part time attendance status.
- Class level (graduate, undergraduate, or a specific course).
- Renewable scholarship or a one-time scholarship.
- Leadership and activities on or off campus.
- Active membership in a particular club or organization.
- Completion of a specific number of credit hours per academic semester (12 hours recommended)
- Recommendation letters.
- Relationship to a chapter member.
- Past or current employment in a field related to fraud examination.

Make the chapter membership aware of the scholarship fund by publishing the information in the newsletter. Honor the recipients in the newsletter as well.

ACFE Scholarship Program

The ACFE is committed to improving the detection, deterrence, and prevention of fraud and white-collar crime. The ACFE also is committed to the education of accounting and criminal justice students are the world who may become Certified Fraud Examiners in the future.

Therefore the ACFE established the Ritchie-Jennings Scholarship Fund. Formerly known as the CFE Scholarship Fund, it was renamed in 1998 in memory of Tracy Ritchie, CFE, and Larry Jennings, CFE, who were killed in 1997 in Karachi, Pakistan while on a business trip.

The Ritchie-Jennings Scholarship Fund awards a number of scholarships each year to full-time graduate or undergraduate students (12 hours or more per semester) who are majoring in accounting or criminal justice degree programs.

The scholarships are awarded on the basis of:

- a) Overall academic achievement demonstrated by official transcripts.
- b) Three letters of recommendation, including at least one recommendation from a Certified Fraud Examiner or a local CFE Chapter, plus additional recommendations from faculty members or academic advisors; and
- c) An original essay of no more than 500 words explaining why the applicant deserves the scholarship, and how the awareness of fraud will affect his or her professional career development.

An application package must include:

- A completed application form (available from the academic department of the ACFE);
- Official transcripts showing all completed college or university courses;
- Three (3) letters of recommendation, including at least one from a Certified Fraud Examiner or a local CFE Chapter, plus additional recommendations from advisors or faculty members.
- An original essay of no more than 500 words explaining why the applicant deserves the award, and how fraud awareness will affect his or her professional career development.

All scholarship components should be mailed together in one package. Students who wish to apply for a scholarship but who are not acquainted with a Certified Fraud

Examiner will be referred by the ACFE to a representative of the nearest local CFE Chapter. It is the responsibility of an applicant to meet with a CFE Chapter or with a Certified Fraud Examiner to receive a recommendation.

CHAPTER AWARDS

Awards and recognition are important for keeping members motivated. The local chapter could present a number of annual awards to people of outstanding merit. The form of the local chapter awards could include:

- Announcements at meetings
- Certificates of recognition
- Press releases
- Chapter newsletter announcements
- Plaques
- Trophies
- Free chapter membership renewal
- Cash awards

Chapter awards could be made for a variety of honors, such as:

- The person who recruited the most new members for the chapter.
- The local person with the highest CFE Examination grade.
- The person who wrote the best or most technical papers.
- The person who wrote the best or most articles for *The Fraud Magazine*.
- The person who wrote the best or most articles for the chapter newsletter.
- The person who made the best or most presentations for local chapter meetings.
- A member of the community having excelled in the area of white-collar crime, (local district attorneys, law enforcement officers, investigators, accountants, auditors, etc.).