

Financial Transparency Agreement

Group/Community: [Your Community Name]

Effective Date: [Date]

Fiscal Year: [Start Month] to [End Month]

1. Purpose and Principles

This agreement establishes how we manage, track, and make decisions about our shared finances with transparency, accountability, and mutual trust.

Core Values

- **Transparency:** Financial information is open and accessible
- **Participation:** All members can engage in financial decisions
- **Accountability:** Clear responsibility for financial stewardship
- **Sustainability:** We live within our means and plan ahead
- **Equity:** Financial arrangements are fair and just

2. Financial Structure

Our Budget Categories

1. Essential Operations

- Rent/mortgage: \$_____/month
- Utilities: \$_____/month
- Insurance: \$_____/month
- [Other fixed costs]

2. Maintenance & Supplies

- Repairs: \$_____/month

- Cleaning supplies: \$_____/month
- Equipment: \$_____/month

3. Food & Provisions [If applicable]

- Shared groceries: \$_____/month
- Communal meals: \$_____/month

4. Reserves

- Emergency fund: Target \$_____
- Improvement fund: \$_____/month
- [Other savings goals]

5. Community/Social

- Events: \$_____/month
- Solidarity/mutual aid: \$_____/month
- [Other community expenses]

Annual Budget Total: \$_____

3. Income and Contributions

Contribution Model

[Choose and customize one:]

Option A: Equal Shares

- Each member contributes: \$_____/month
- Total members: ____
- Covers all shared expenses

Option B: Proportional to Income

- Members contribute ____% of gross income
- Monthly income reported confidentially to treasurer

- Adjusted quarterly based on income changes

Option C: Proportional to Use/Space

- Contribution based on: [Room size / Number of occupants / Other]
- Example calculations:
 - Member A (large room): \$_____
 - Member B (small room): \$_____
 - Member C (shared room): \$_____

Option D: Sliding Scale

- Requested contribution: \$_____/month
- Minimum contribution: \$_____/month
- Surplus capacity: \$_____/month
- Members self-assess and contribute accordingly
- Anonymous to maintain dignity

Payment Details

- **Due date:** [Day of month]
- **Payment method:** [Bank transfer to group account / Other]
- **Account holder:** [Name and role]
- **Late payments:** [Grace period and communication process]

Additional Income [If applicable]

- Grants/donations: [Process for receiving]
- Fundraising: [How organized]
- Member loans: [Policy if any]

4. Financial Roles and Responsibilities

Treasurer(s)

Role: [1-2 people, rotating every 6-12 months]

Responsibilities:

- Maintain accurate financial records
- Process payments and contributions
- Prepare monthly financial reports
- Alert group to budget concerns
- File any required tax documents
- Facilitate financial decision-making

Selection: [Volunteer / Elected / Rotating]

Support: Treasurer not alone—any member can review records

Financial Working Group [Optional]

- [2-4 members including treasurer]
- Handles routine financial decisions under \$____
- Prepares annual budget proposal
- Reviews financial systems quarterly

All Members

Responsibilities:

- Submit contributions on time
- Review monthly financial reports
- Participate in budget discussions
- Report concerns or questions promptly
- Maintain receipts for reimbursements

5. Access and Transparency

What Information is Shared

✓ Open to all members:

- Monthly income and expenses
- Current account balances
- Budget vs. actual spending
- Reserve fund status
- Upcoming large expenses
- Historical financial data

? Handled sensitively:

- Individual contribution amounts [if based on income]
- Personal financial situations
- Payment difficulties

How Information is Shared

- **Monthly reports:** Posted/emailed by [date]
- **Financial dashboard:** [Online location if applicable]
- **Annual summary:** Presented at [yearly meeting]
- **Real-time access:** [Bank account access / Shared spreadsheet]
- **Questions welcomed:** [Office hours / Slack channel / Email]

Record Keeping

- **Digital records:** [Google Drive / Dropbox / Other]
- **Physical records:** [Location for receipts and documents]
- **Retention period:** [7 years for tax documents, 3 years for others]
- **Backup system:** [How records are backed up]

6. Decision-Making Processes

Routine Expenses (Under \$_____)

- Approved by: Treasurer or any member with receipt
- Examples: Groceries, cleaning supplies, minor repairs
- Report in next monthly update

Medium Expenses (\$_____ to \$_____)

- Requires: Discussion at house meeting
- Decision by: [Consensus / Majority]
- Timeline: Can be decided same meeting if urgent

Major Expenses (Over \$_____)

- Requires: Proposal with research/quotes
- Notice: [1-2 weeks] advance for consideration
- Decision by: [Full consensus / Supermajority]
- Examples: Appliances, renovations, vehicle

Annual Budget

- Process:
 1. Treasurer prepares draft budget [2 weeks before meeting]
 2. Members review and submit feedback
 3. Discussion at dedicated meeting
 4. Amendments proposed
 5. Final budget adopted by [consensus/vote]
- Review quarterly for needed adjustments

Emergency Expenses

- Definition: Urgent safety/health issue or critical repair
- Authorization: Any two members can approve up to \$_____
- Full group notified within 24 hours
- Discussed at next meeting

7. Spending Guidelines

Collective Purchases

When buying for the group:

1. **Check first:** Is it budgeted?
2. **Research:** Compare options/prices when over \$____
3. **Document:** Keep receipts
4. **Report:** Share what was purchased and why
5. **Reimburse:** Submit receipt within [timeframe]

Personal vs. Shared

Shared expenses:

- Benefit all members
- Used in common spaces
- Agreed upon collectively

Personal expenses:

- Individual benefit only
- Personal preference items
- Not reimbursable unless pre-approved

Gray areas: Discuss before purchasing

Reimbursement Process

1. Submit receipt to treasurer
2. Include: Date, amount, what it was for, who purchased
3. Payment within: [1 week / Next payment cycle]
4. Method: [Venmo / Check / Account transfer]

8. Reserve Funds

Emergency Fund

- **Target amount:** [3-6 months of essential expenses]
- **Current balance:** \$_____
- **Monthly contribution:** \$_____
- **Use only for:** Unexpected essential repairs, income loss coverage
- **Replenishment:** If used, prioritize rebuilding

Improvement Fund

- **Purpose:** Planned upgrades, equipment, improvements
- **Target amount:** \$_____
- **Monthly contribution:** \$_____
- **Allocation:** By group decision

[Other Fund - Optional]

- **Purpose:** [Solidarity fund / Social events / etc.]
- **Balance:** \$_____
- **Monthly contribution:** \$_____

9. Financial Equity and Hardship

Sliding Scale Contributions [If applicable]

We recognize economic diversity strengthens community.

Process:

1. Self-assess your financial capacity honestly
2. Contribute accordingly within range
3. No questions asked, no judgment
4. Commitment to pay what you can
5. Those with capacity may contribute more

Financial Hardship

If a member experiences financial difficulty:

Communication:

- Speak with treasurer or trusted member
- Confidentiality respected
- No shame or judgment

Options:

- Temporary reduced contribution
- Payment plan
- Work trade [if applicable]
- Access to emergency loan [if fund exists]
- Review at [monthly intervals]

Solidarity:

- Community supports members through difficulty
- Temporary arrangements, not permanent
- Member commits to communicate and resolve

10. Accountability and Auditing

Internal Reviews

- **Frequency:** [Quarterly]
- **Process:**
 - Two members (not treasurer) review records
 - Check receipts against reported expenses
 - Verify account balances
 - Report findings to group

Annual Audit

- **Full review:** All financial records
- **Conducted by:** [Rotating members / External accountant]
- **Report:** Presented to full membership
- **Address:** Any discrepancies or concerns

Red Flags

Report immediately if you notice:

- Missing documentation
- Unexplained discrepancies
- Unauthorized spending
- Lack of transparency
- Concerns about handling

11. Financial Ethics

We Commit To:

- **Honesty:** Accurate reporting, no hiding expenses
- **Responsibility:** Spend wisely, as if our own money (it is!)
- **Communication:** Discuss before making assumptions
- **Sustainability:** Live within means, plan ahead
- **Generosity:** Support each other, share abundance

We Avoid:

- **Secrecy:** Withholding financial information
- **Excess:** Luxury purchases without agreement
- **Debt:** Spending beyond our budget
- **Inequality:** Some contributing while others don't
- **Shame:** Judging members' financial situations

12. Conflict Resolution

Financial Disagreements

If conflicts arise about money:

Step 1: Direct Conversation

- Talk with involved parties
- Seek to understand different perspectives
- Look for creative solutions

Step 2: Mediation

- Invite neutral member to facilitate
- Review relevant agreements

- Focus on needs and concerns

Step 3: Group Discussion

- Bring to house meeting if unresolved
- Full transparency (unless privacy issue)
- Collective problem-solving

Step 4: Policy Review

- May indicate need to revise agreements
- Learn from the conflict
- Update policies accordingly

13. Tax and Legal Compliance

Tax Status [Customize to your situation]

- **Entity type:** [Household / LLC / Cooperative / Nonprofit]
- **Tax ID:** [If applicable]
- **Required filings:** [Annual returns / Quarterly reports]
- **Responsibility:** [Treasurer / Accountant / Board]

Documentation

- Keep records for: [Required retention period]
- Maintain: Receipts, bank statements, contracts, invoices
- Annual review of compliance requirements

Professional Support

- **Accountant:** [Name and contact if applicable]
- **Lawyer:** [If needed for entity structure]
- **Advisor:** [Cooperative development center, etc.]

14. Amendments and Review

Regular Review

- **Schedule:** [Annually or as needed]
- **Process:**
 - Assess what's working
 - Identify challenges
 - Propose improvements
 - Vote on changes

Amendment Process

- Proposed changes: [Written and distributed 1 week prior]
- Discussion: [At meeting]
- Decision: [Consensus / Supermajority / Majority]
- Documentation: [Updated agreement dated and signed]
- Notification: All members receive new version

15. Dissolution Planning [Optional]

In the event the household/community dissolves:

Financial Process:

1. Final accounting of all expenses and income
2. Pay all outstanding debts
3. Return individual deposits
4. Distribute remaining funds: [Equally / Proportionally / To charity]
5. Close accounts
6. Archive financial records

16. Signatures

By signing, we commit to this financial transparency agreement and to stewarding our shared resources responsibly.

Name	Signature	Date	Initial Contribution

Monthly Financial Report Template

Month/Year: _____

Prepared by: _____

Date: _____

Income

Source	Amount
Member contributions	\$_____
Other income	\$_____
Total Income	\$_____

Expenses

Category	Budgeted	Actual	Difference
Rent/Mortgage	\$_____	\$_____	\$_____
Utilities	\$_____	\$_____	\$_____
Food	\$_____	\$_____	\$_____
Maintenance	\$_____	\$_____	\$_____
Other	\$_____	\$_____	\$_____
Total Expenses	\$_____	\$_____	\$_____

Account Balances

Account	Balance
Operating	\$_____
Emergency Fund	\$_____
Improvement Fund	\$_____
Total	\$_____

Notes

[Any unusual expenses, upcoming needs, concerns, or other relevant information]

Questions or Concerns? Contact: [Treasurer name and email]

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