SUCCESS FOR CHAPTER TREASURERS

How to Keep Your Chapter
in Good Financial Standings

Professional Development & Networking Forum

Making The Leap To REMARKABLE

California Division

Characteristics of a Good Treasurer

- Capable of handling figures and cash
- An orderly mind and methodical way of thinking
- Knowledge of dealing with large sums of money and budgets
- Knowledge of financial control and budgeting
- An eye for detail
- Good communication and interpersonal skills
- Ability to ensure decisions are taken and followed-up
- Good time-keeping

Do's & Don'ts of being a Treasurer

- **A good treasurer:**
  - Is trustworthy.
  - Is impartial.
  - Feels comfortable working with figures.
  - Is willing to explain figures if asked.
  - Is methodical.
  - Banks group money as quickly as possible.
  - Makes it easy for others to take over by keeping clear records.

- **A good treasurer does NOT:**
  - Commit fraud - i.e. 'borrow' group funds for his/her own use.
  - Make him/herself indispensable.
  - Carry group money around for weeks before banking it.
  - Neglect to pay bills.
  - Ignore the law.
  - Overdraw group funds without the agreement of the committee.
  - Pay or receive money without making a note of it.

FRAUD PROTECTION

- All fraud is done by those we trust!
- A person's honesty can be influenced by:
  - Opportunity
  - Pressure
  - Attitude
- No organization is immune

FRAUD PROTECTION CONT…

- Have procedures in place to prevent fraud
- Set the proper “Tone at the Top”
- Trust, but verify!
- Responsibility of President and Treasurer

Treasurer's Responsibilities

General financial oversight

Financial planning and budgeting

Financial reporting (Chapter and IRS)

Banking and record-keeping

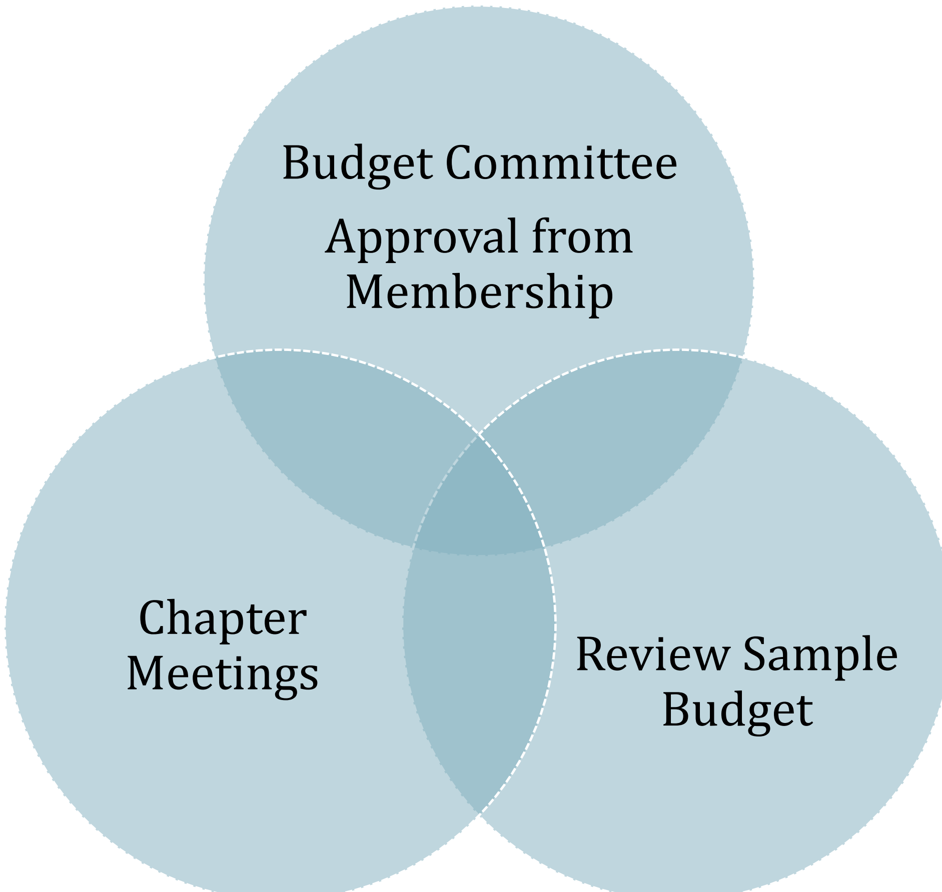
General financial oversight

- Pay all bills in a timely manner
- Third Party Liability Insurance is paid by the Division, when the invoice is received, forward to the Division Treasurer
- Keep spending to plan (budget)
- Non-budgeted items require vote

Financial planning and budgeting

- Create spending plan for chapter
- Income must be greater than or equal to expenses
- History is very helpful

BUDGET


Budget Committee
Approval from Membership
Chapter Meetings
Review Sample Budget

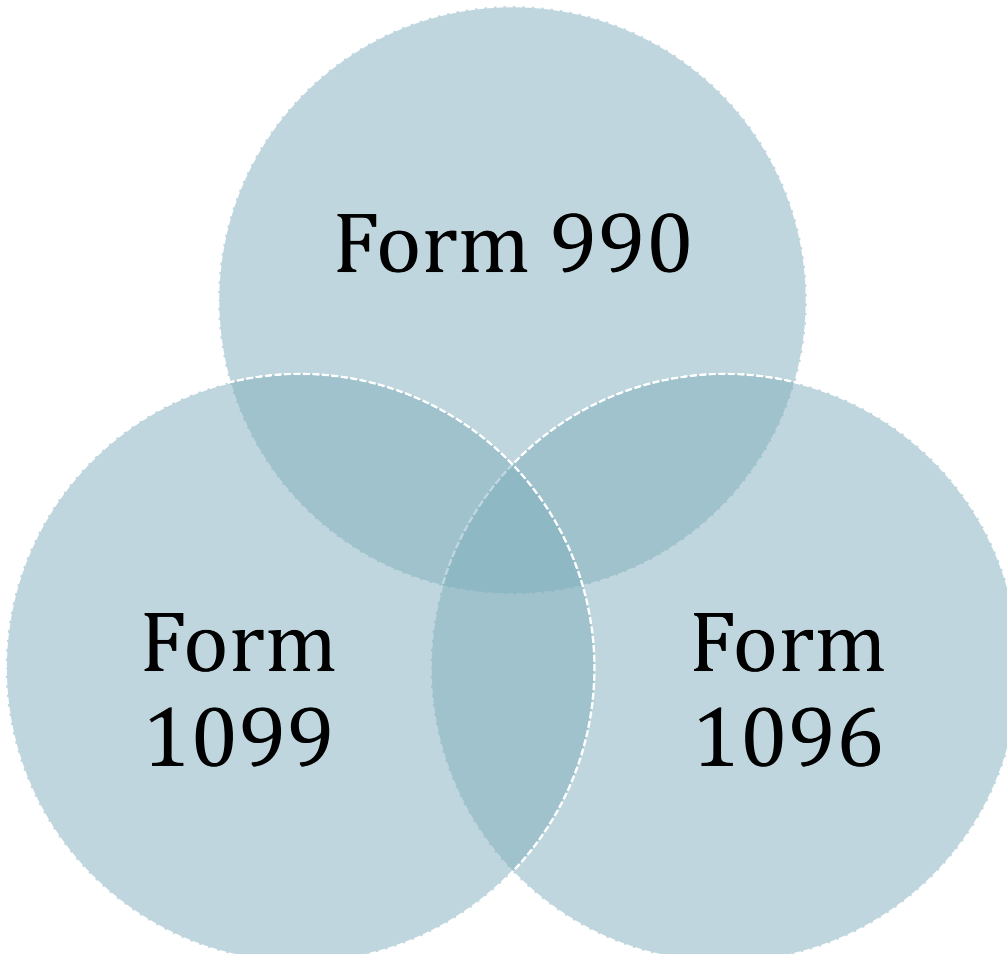
Financial reporting (Chapter and IRS)

- Monthly report to Chapter
- Include income and expenses
- Annual spending recap
- Form 990 must be filed with IRS

Tax Compliance Issues

- Group Exemption Letter
- Not impacted by Division/Chapter incorporation
- 990 Information return
  - Gross annual receipts over $25,000
  - 990-N (e-postcard) filed if under 25,000
  - Due 15th of 5th month following fiscal year
  - Penalties that could be levied
- 1099 Requirements
  - $600 aggregate annual payments
  - Which state should be copied
  - Penalties for not filing 1099s

MANDATORY FILINGS



Required Filings

Who must file Form 990's

Any exempt organization!

That means you!

Required Filings

- U.S. Internal Revenue Service – Form 990
  - Due date based on organization's fiscal year
- IAAP Fiscal year July 1 – June 30
  - Due on or before November 15

Required Filings

- Which Form Should I File?
  - ***2011 Tax Year***
    - Gross receipts normally ≤ $50,000
      - ***Form to File*** 990-N
    - Gross receipts > $50,000 and < $200,000 and Total Assets < $500,000
      - ***Form to File*** 990-EZ or 990

Required Filings

- Form 1099-MISC
  - ***Any*** independent contractor paid more than $600 in a calendar year *(could be multiple payments = $600)*
  - To obtain contractor information complete Form W-9 *(to be given to speaker PRIOR to speaking or receiving compensation)*
  - Each calendar year issue a Form 1099-MISC
  - Summary Report - Form1096

Form 1099 Sample

9595 ☐ VOID ☐ CORRECTED

PAYER'S name, street address, city, state, ZIP code, and telephone no.		1 Rents $ 2 Royalties $	OMB No. 1545-0115 2009 Form 1099-MISC	Miscellaneous Income
		3 Other income $	4 Federal income tax withheld $	Copy A For Internal Revenue Service Center File with Form 1096.
PAYER'S federal identification number	RECIPIENT'S identification number	5 Fishing boat proceeds $	6 Medical and health care payments $	
RECIPIENT'S name		7 Nonemployee compensation $	8 Substitute payments in lieu of dividends or interest $	For Privacy Act and Paperwork Reduction Act Notice, see the 2009 General Instructions for Forms 1099, 1098, 3921, 3922, 5498, and W-2G.
Street address (including apt. no.)		9 Payer made direct sales of $5,000 or more of consumer products to a buyer (recipient) for resale ► ☐	10 Crop insurance proceeds $	
City, state, and ZIP code		11	12	
Account number (see instructions)	2nd TIN not. ☐	13 Excess golden parachute payments $	14 Gross proceeds paid to an attorney $	
15a Section 409A deferrals $	15b Section 409A income $	16 State tax withheld $ $	17 State/Payer's state no.	18 State income $ $

Form 1099-MISC Cat. No. 14425J Department of the Treasury - Internal Revenue Service

Do Not Cut or Separate Forms on This Page — Do Not Cut or Separate Forms on This Page

When do I report

- **Form 1099-MISC**
  - Each calendar year (January 1 – December 31)
- **What to Report**
  - Compensation, fees, scholarship, etc.
- **Amounts to Report**
  - $600 or more
- **Due Date to Recipient**
  - January 31
- **Due Date to IRS**
  - February 28

What is a form w-9?

- Form W-9 is the IRS form used by a company to request the taxpayer identification number.
- Form W-9 requests the name and Social Security Number, or the name and Employer Identification Number of the business.
- The recipient submitting a W-9, certifies that the tax id number provided to you is correct and accurate.

Form W-9 Sample

Form **W-9** (Rev. October 2007) Department of the Treasury Internal Revenue Service

Request for Taxpayer Identification Number and Certification

Give form to the requester. Do not send to the IRS.

Print or type See Specific Instructions on page 2.

Name (as shown on your income tax return)

Business name, if different from above

Check appropriate box: ☐ Individual/Sole proprietor ☐ Corporation ☐ Partnership
☐ Limited liability company. Enter the tax classification (D=disregarded entity, C=corporation, P=partnership) ▶ ....
☐ Other (see instructions) ▶
☐ Exempt payee

Address (number, street, and apt. or suite no.)

Requester's name and address (optional)

City, state, and ZIP code

List account number(s) here (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on Line 1 to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Social security number

or

Employer identification number

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. citizen or other U.S. person (defined below).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. See the instructions on page 4.

Sign Here Signature of U.S. person ▶ Date ▶

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),

2. Certify that you are not subject to backup withholding, or

3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

- The U.S. owner of a disregarded entity and not the entity,

Cat. No. 10231X Form **W-9** (Rev. 10-2007)

Where can I get a form W-9?

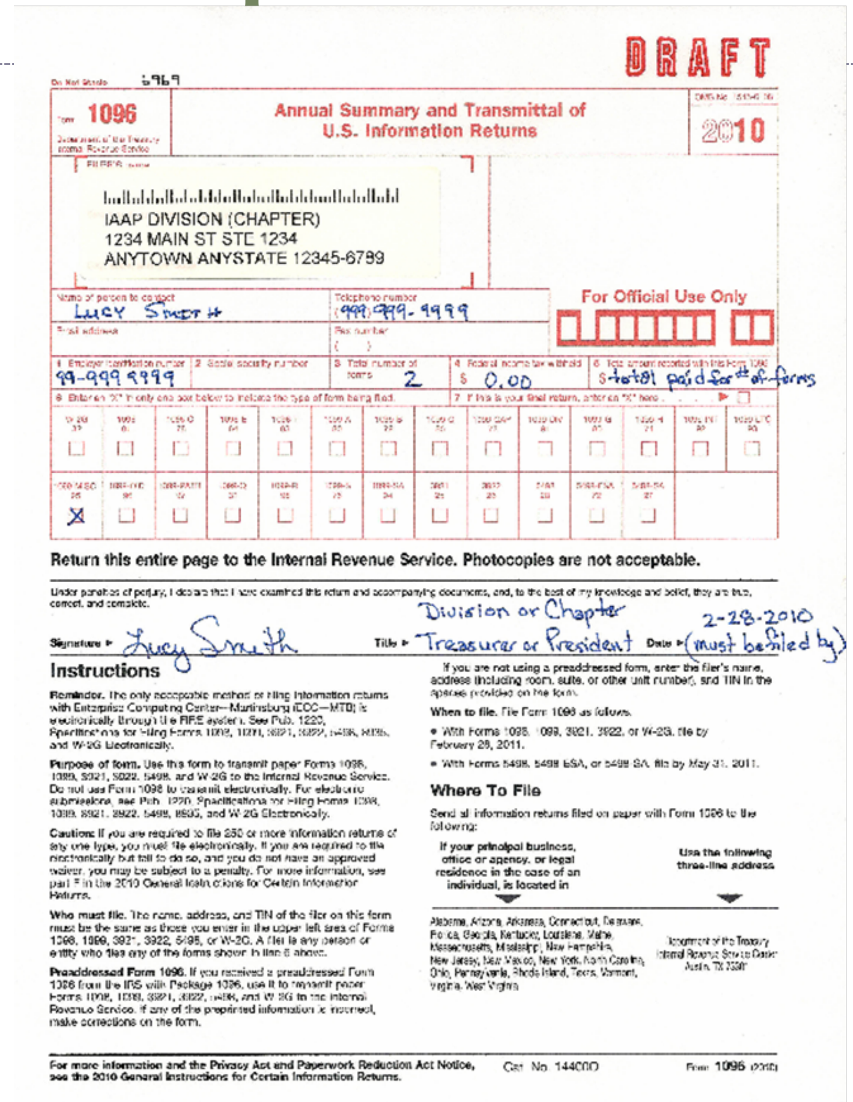
- You can obtain a blank Form W-9 (PDF) to give to independent contractors you hire by going to the website http://www.irs.gov/

- Search for current year W-9

What is a form 1096?

- **Annual Summary and Transmittal of U.S. Information Returns**
  - Compilation form which provides totals for all 1099 forms
  - Form 1096 must be sent to the Internal Revenue Service by February 28th

Form 1096 Sample



DRAFT

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Form **1096**
Department of the Treasury
Internal Revenue Service

Annual Summary and Transmittal of U.S. Information Returns

OMB No. 1545-0108

2010

FILER'S name

IAAP DIVISION (CHAPTER)
1234 MAIN ST STE 1234
ANYTOWN ANYSTATE 12345-6789

Name of person to contact: LUCY SMITH
Telephone number: (999) 999-9999
Email address:
Fax number: ( )

For Official Use Only

1 Employer identification number	2 Social security number	3 Total number of forms	4 Federal income tax withheld	5 Total amount reported with this Form 1096
99-999 9999		2	$ 0.00	$ total paid for # of forms

6 Enter an "X" in only one box below to indicate the type of form being filed.
7 If this is your final return, enter an "X" here . . . ▶ ☐

W-2G 32	1098 81	1098-C 78	1098-E 84	1098-T 83	1099-A 80	1099-B 79	1099-C 85	1099-CAP 73	1099-DIV 91	1099-G 86	1099-H 71	1099-INT 92	1099-LTC 93
☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐

1099-MISC 95	1099-OID 96	1099-PATR 97	1099-Q 31	1099-R 98	1099-S 75	1099-SA 94	3921 25	3922 26	5498 28	5498-ESA 72	5498-SA 27
X	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐

Return this entire page to the Internal Revenue Service. Photocopies are not acceptable.

Under penalties of perjury, I declare that I have examined this return and accompanying documents, and, to the best of my knowledge and belief, they are true, correct, and complete.

Signature ▶ Lucy Smith Title ▶ Division or Chapter Treasurer or President Date ▶ 2-28-2010 (must be filed by)

Instructions

Reminder. The only acceptable method of filing information returns with Enterprise Computing Center—Martinsburg (ECC—MTB) is electronically through the FIRE system. See Pub. 1220, Specifications for Filing Forms 1098, 1099, 3921, 3922, 5498, 8935, and W-2G Electronically.

Purpose of form. Use this form to transmit paper Forms 1098, 1099, 3921, 3922, 5498, and W-2G to the Internal Revenue Service. Do not use Form 1096 to transmit electronically. For electronic submissions, see Pub. 1220, Specifications for Filing Forms 1098, 1099, 3921, 3922, 5498, 8935, and W-2G Electronically.

Caution: If you are required to file 250 or more information returns of any one type, you must file electronically. If you are required to file electronically but fail to do so, and you do not have an approved waiver, you may be subject to a penalty. For more information, see part F in the 2010 General Instructions for Certain Information Returns.

Who must file. The name, address, and TIN of the filer on this form must be the same as those you enter in the upper left area of Forms 1098, 1099, 3921, 3922, 5498, or W-2G. A filer is any person or entity who files any of the forms shown in line 6 above.

Preaddressed Form 1096. If you received a preaddressed Form 1096 from the IRS with Package 1096, use it to transmit paper Forms 1098, 1099, 3921, 3922, 5498, and W-2G to the Internal Revenue Service. If any of the preprinted information is incorrect, make corrections on the form.

If you are not using a preaddressed form, enter the filer's name, address (including room, suite, or other unit number), and TIN in the spaces provided on the form.

When to file. File Form 1096 as follows.

- With Forms 1098, 1099, 3921, 3922, or W-2G, file by February 28, 2011.
- With Forms 5498, 5498-ESA, or 5498-SA, file by May 31, 2011.

Where To File

Send all information returns filed on paper with Form 1096 to the following:

If your principal business, office or agency, or legal residence in the case of an individual, is located in	Use the following three-line address
Alabama, Arizona, Arkansas, Connecticut, Delaware, Florida, Georgia, Kentucky, Louisiana, Maine, Massachusetts, Mississippi, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, Texas, Vermont, Virginia, West Virginia	Department of the Treasury Internal Revenue Service Center Austin, TX 73301

For more information and the Privacy Act and Paperwork Reduction Act Notice, see the 2010 General Instructions for Certain Information Returns. Cat. No. 14400O Form **1096** (2010)

Where to file forms 1096 & 1099?

- **If your principal business, office or agency, or legal residence in the case of an individual, is located in**

- Alaska, **California**, Colorado, District of Columbia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Maryland, Michigan, Minnesota, Missouri, Montana, Nebraska, Nevada, North Dakota, Oklahoma, Oregon, South Carolina, South Dakota, Tennessee, Utah, Washington, Wisconsin, Wyoming

Use the following three-line address

Department of the Treasury

Internal Revenue Service Center

Kansas City, MO 64999

BANKING AND RECORD-KEEPING

- Timely deposits
- Reconcile Bank Statement promptly
- Records must always be kept in such a manner that if Treasurer needs to be away suddenly, anyone else can take over

Financial Software

- **Benefits**
  - Database
  - Easier to pull history from event to event
    - Comparative years
    - Trends
  - Option to Create a Budget from Experience
  - Reports

Direct Deposit

- Have you gone **GREEN?**

RAFFLES

- Determine if organization is eligible to hold a charitable raffle.
- Prepare the Application for Registration (CT-NRP-1) by completing all fields. Incomplete applications will not be processed.
- Submit Application and $20 registration fee payable to Department of Justice.
- Obtain confirmation of registration. Upon approval, the Registry of Charitable Trusts will send a letter confirming registration that includes a raffle permit number and expiration date.
- Prepare and submit a Nonprofit Raffle Report (Form CT-NRP-2) after the raffle event has taken place. *A report is required for each raffle held.*

SUMMARY

- Know and understand your financials!!!

- Ensure that the Treasurer has the appropriate resources to do their job.
  - Financial software
  - Spreadsheet software
  - Access to a computer/laptop

- Prepare and expect timely financial reports

Resources for Help

- Internal Revenue Service
  - **Telephone Assistance for Exempt Organizations** Toll-Free 1-877-829-5500
  - www.irs.ca.gov
- Division Board – great resource for additional information
- International Headquarters and Treasurers e-Group

QUESTIONS??

Are you ready to serve your Chapter financially?