

TIPS FOR TREASURERS

JOB DESCRIPTION: TREASURER

OBJECTIVES: To keep accurate financial records for the League. To assist the board with financial information.

RESPONSIBILITIES:

1. Assist the board in determining the best use of League money in line with the purpose of the League and the goals determined by the board and the membership.
2. Collect and disburse all League funds as directed by the board, allocating funds to budget categories.
3. With the membership director, maintain an up-to-date membership list and send out dues notices.
4. Collect sales tax on all publications sold or purchased for use by the League. Remit as required by the State of New York.
5. Oversee all League financial records. Assist board members with financial information as needed. Provide complete records for audits.
6. Make periodic reports to the board and membership on the League's financial status. Prepare a report for the annual meeting. Prepare required reports for the state and national Leagues, the State of New York, and the federal government.
7. Serve as a member of the budget committee. Assist the committee in realistically assessing the League's financial position relative to its goals and priorities.

The job of treasurer is one of the most important in the League. The financial records must be accurately maintained, and the board and budget committee need the on-going assistance of the treasurer in order to assess realistically the League's financial position.

HOW TO BEGIN

Read Management Tips: Treasurer available under the For Members section of www.lwv.org

Also review the following material carefully to get an understanding of the deadlines that must be met during the year and of what information is needed to prepare reports.

Work with the previous treasurer to set up the books for the fiscal year (which may need to be done before the annual meeting at which you are actually elected). Having the budget categories for the year will greatly simplify compilation of the various reports for which the treasurer is responsible.

Be sure to register the treasurer's signature at the banks which carry the League's accounts under the local League's Employer Identification Number. The banks also should have the president's signature so that, in the event the treasurer is absent or incapacitated, there will be another signature available to carry on League fiscal affairs. If necessary, change the mailing address.

FINANCIAL RECORDS

Keep careful records of all income and expenses. Prepare and present a monthly treasurer's report at each board meeting. Include the balance of the beginning of the months, receipts and expenditures during the month, and the balance at the end of the month. (This should agree with total amounts in checking and savings accounts.) Be sure to comment on any large or unexpected receipts or expenditures. It is also useful to provide the previous year's balance on hand for the same period. The proper use of the League's money is the responsibility of the entire board. Encourage board discussion of the treasurer's report. Every three months a budget comparison statement, relating income and expenditures to the adopted budget, should be presented so that the board can review the League's financial position and reevaluate priorities

for the year. Remind the board that they are as responsible for raising money as they are for spending it. Board members are responsible as well for keeping within their own budgets for expenditures.

REMEMBER: THE TREASURER MUST KEEP ALL FINANCIAL RECORDS FOR AT LEAST FIVE YEARS.

Pay the bills. Have all bills approved for payment. The board member who authorized the expenditure should indicate the budget line to be charged. Sometimes proper budget categories are difficult to assign and will require consultation with the president or a board member who served on the budget committee. When drawing the check, mark bill PAID (preferably with a rubber stamp) and indicate the check number and date of payment. All orders for state and national League publications except *Facts for Voters* must be prepaid. Work out arrangements with publications director, and be sure you are informed about the budget category or categories to be charged.

Prepare vouchers and give copies to all members who will need them. Following is a sample form that you can adopt.

EXPENSE VOUCHER - BOARD AND COMMITTEE MEMBERS

League of Women Voters of _____
Name _____ Date _____

Position in the League _____

EXPENDITURES:

Date	Purpose of Description	Amount
_____	_____	_____
_____	_____	_____
		Sub-total \$ _____

If you wish to contribute all or part of this, please submit amount:

Paid by check # _____

Date _____

Total: \$ _____

(signature)

Approved: _____

Submit to treasurer at board meeting. Attach bills or receipts.

Deposit income checks promptly. Confer with the finance director so that an appropriate system for recording finance drive income can be developed. Be sure that bills for League services, publications and dues are mailed promptly; follow up on any bills that remain unpaid.

MEMBERSHIP DUES

In some local Leagues the treasurer is responsible for collecting dues. It is important to maintain UP-TO-DATE membership list at all times. With the membership director and the person responsible for distributing the bulletin, establish a system to ensure accurate records. This will assist the membership director in reporting an accurate count to LWVUS each year. Your League's membership figure as of February 1 is the basis for calculating the per member payment (PMP) due to both the state and national Leagues.

Send membership dues bills one month prior to their due date. Many Leagues have found an addressed return envelope helpful. If a dues change is to be voted at the annual meeting, send out dues notices immediately after the meeting. Members not responding to the first dues notice should be sent additional notices, should be contacted personally and should be dropped from the rolls if no response is received after a reasonable period of time. The goal in collecting dues is to keep membership at the highest level possible and not pay PMP for those whose membership has lapsed.

IRS rules require that dues notices indicate that dues and contributions to the League of Women Voters are not tax deductible as charitable contributions.

League boards can adopt a policy of prorated dues so that a new member joining part way through the fiscal year is not penalized. Some Leagues have adopted a system of anniversary dues which spreads the work of billing members throughout the year and assures each member of a full year's membership before rebilling. This required a change in the bylaws, Article VI, Section 2. Billing dues on an anniversary basis is usually more work for a treasurer. Local Leagues should send membership changes to LWVUS and LWVNYS monthly or bi-monthly because their computers provide the mailing labels for both the national and the state Leagues. This will ensure that new members receive publications promptly.

PER MEMBER PAYMENTS

Per member payments to the state and national Leagues are due on the first day of each quarter: July 1, October 1, January 1, April 1. However, the first quarter payments are not billed until after the adoption of the state and national budgets. Both LWVNYS and LWVUS send local Leagues the forms used to pay these bills. The state forms are sent to treasurers quarterly; the first in June for July 1 payment, etc. Prompt payment of the PMP installments is very important since both state and national have fixed operating expenses which must be paid each month.

Leagues that fail to pay 100% of their LWVUS and LWVNYS PMP as assessed each year lose their state and national convention voting rights.

Use of Tax Deductible Contributions to Pay National and State PMP

The use of Grants Management funds to pay state PMP is an option. LWVNYSEF will still honor requests to make voluntary contributions to the LWVUS Education Fund.

REPORTS TO FEDERAL AND STATE GOVERNMENTS

FEDERAL FORM 990 - RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX*

1. Leagues with gross receipts between \$25,000 and \$100,000 file form 990EZ in full.
2. Leagues with gross receipts of \$100,000 or more file form 990 in full.
1. Schedule "A" must be completed for item 2 and 3.

Use "Instructions for Form 990 or 990EZ- return of Organization Exempt from Income Tax" in filling out the form 990 if the League's income is over \$25,000.

4. If gross receipts are less than \$25,000, you must submit Form 990-N Electronic Postcard. This filing is accepted online, only. Beginning with fiscal years ending in 2008, if your local League does not file this form for three consecutive years, you will be penalized by the IRS.

Use "Annual Electronic Filing Requirement for Small Exempt Organizations: Form 990-N (e-Postcard) at www.irs.gov/charities_and_nonprofits. You may need assistance of an accountant if the League's receipts are large and your activities are many and diverse.

Common Questions

The exemption is 501 (c) 4

The date of the group exemption for NYS Leagues is June 25, 1939

The accounting method is cash.

All forms are due on or before the 15th day of the fifth month after the end of the organization's fiscal year. If the return is late, there is a penalty of \$10 per day, not to exceed the lesser of \$5000 or 5% of the gross receipts of the organization for the year. The penalty may also be charged if you file an incomplete return or furnish incorrect information. Make sure all the line questions are answered "yes" or "no" or "N/A" and all total lines have a number or "0." Attach Schedule "A" when necessary.

All forms are available online at <http://www.irs.gov> either searching under forms or under the subheading at the top of the home page for nonprofits and charities. They are also available by calling 1-800225-0717. You may also call the LWVNYS office and speak with the Executive Director with any questions or for additional assistance.

***SEND COPY OF FORM FILED TO STATE LEAGUE OFFICE: 62 Grand Street, ALBANY, NY 12207**

FEDERAL FORM 990-T - UNRELATED BUSINESS INCOME TAX

- Any League which makes less than \$1,000 gross (before deduction of expenses) in a year from unrelated activities does not need to be concerned. No filing is necessary.

If more than \$1,000 is earned, a Form 990-T must be filed even though no tax may be due because of allowable deductions.

- The Internal Revenue Service examines each case on its own particular circumstances so only broad guidelines are given here. An "Unrelated Business Activity"

- a. is not directly connected with the exempt purpose,
- b. is performed on a regular or continuous basis,
- c. has a substantial part of the work done by non-volunteers and
- d. grosses over \$1,000 a year.

If all these elements are present, a return must be filed, even though no tax may be due. New York State follows the federal law and regulations, and a state tax return would also have to be filed.

1099 MISCELLANEOUS AND 1096 TRANSMITTAL - NON-EMPLOYEE COMPENSATION

If you purchase any service (accounting, legal, typeset, printing, etc.) from an individual (not a corporation) in an amount of over \$600, you must file Form 1099 Misc. together with Form 1096 by January 31 of the year following the purchase.

Make sure you ask the individual for his/her social security number or employer identification number at the time of purchase. This number is necessary to file the forms.

PAYROLL TAXES

If any League has employees and is uncertain of tax forms to be filled, call:

For Federal - 1-800-225-0717 for "Circular E" "Employee Tax Guide"

For State - 1-800-462-8100 for "WT100" "NYS Withholding Tax Guide"

NEW YORK STATE SALES AND USE TAX

- In New York State every local League collects tax on items it sells and pays sales tax on items it buys.
- General Procedures: Every local League must have a certificate of authorization (resale certificate) to collect sales tax. A certificate can be obtained from the New York State District Tax Office, Sales Tax Bureau. (Please Note: This is the state, not the federal district office.) A new treasurer should check with the former treasurer for the League's resale number. If none is on file, check with the state District Tax Office which should have a record of the number. This is usually your employer ID #.
- The League of Women Voters of New York State does not charge sales tax on publications sold to local Leagues if a resale certificate has been filled with the state League.

All Leagues must:

1. Collect sales tax on all sales of publications and merchandise except to exempt organizations or sale for resale if you have a resale certificate in your file. It is the obligation of the person or organization seeking to avoid sales tax to provide you with a copy of this certificate.

2. Receive "Form ST 119.1" Exempt Organization Certification before not charging sales tax. This can be obtained at any state district tax office.
3. Pay sales tax on all products and publications (including LWVNYSEF) purchases unless used for resale (sales tax is collected when item is sold) or for out-of-state sales. You must send vendor (including LWNYS or LWVNYSEF) your resale certificate.
4. If no sales tax is paid at time of purchase and item is not resold, you must pay use tax.
5. If you collect sales tax or owe use tax of over \$250 a year, you must file "Form ST 100 or ST 102" quarterly on the 20th of March, June, September and December.
6. If you do not collect sales tax or owe use tax of over \$250 a year, you can file form "ST 101" annually on June 20 and report sales or use tax from June 1 - May 31.

Sales and use taxes are reported on same tax form and are the same rate.

GRANTS MANAGEMENT

Please be reminded that we must have your requests for funding in advance of the project. Please refer to the Grants Management Section for further information and a sample budget.

NEW YORK STATE CHARITIES REGISTRATION

REGISTRATION

Leagues that solicit or receive contributions in excess of \$25,000 annually and Leagues that pay anyone for fundraising (regardless of the amount of contributions solicited or received) are required to register with the Charities Bureau.

When the League's income from all sources exceeds \$25,000 for the first time, complete NYS Form CHAR 410 (obtained from Office of the Attorney General, Charities Bureau, 120 Broadway, New York, NY 10271) or online at <http://www.oag.state.ny.us/charities/charities.html> and pay a one-time \$25 registration fee. Once registered the local League will receive a Charities Bureau registration number and written confirmation of its registration.

ANNUAL FILING

Once your organization has registered, the Charities Bureau requires an annual filing. If gross receipts for the filing year exceed \$25,000 CHAR500 must be filed along with required attachments and fees. If in any year after registering gross receipts fall below \$25,000 League's must still file but claim exemption. If your local League has total revenue over \$25,000 an accountant versed in proper filing and compliance procedures should be consulted. Annual filing is required within six months of the end of the local League fiscal year. Complete filing instructions are available at the above referenced website.

Leagues receiving up to \$100,000 in total revenue (on Part I, line 9 of the IRS Form 990EZ or, Part I, line 12 of the IRS Form 990 or 990PF):

- A. File Form CHAR 500 and attached Form 990EZ, 990, or 990PF with all attachments and the IRS Form 990-T, if applicable, (neither an independent public accountant's review nor opinion is required).
- B. Fee \$10.

2. Leagues receiving over more than \$100,000 but not more than \$250,000 in total revenue (on Part I, line 9 of the IRS Form 990EZ or, Part I, line 12 of the IRS Form 990 or 990PF):

- A. File Form CHAR 500 and attach either Form 990EZ, 990, or 990PF with all attachments and Form 990-T, if applicable. (independent public accountant review report and financial statements are required as attachments).
- B. Fee \$10.

3. Leagues receiving over \$250,000 in total revenue (on Form 990, line 12):

- A. File Form CHAR 500 and attach Form 990 with all attachments and Form 990-T, if applicable. (independent public accountant review report and financial statements are required as attachments).
- B. Fee \$25.

Additional filing is required under certain conditions:

1. Any organization that contracts with a professional fundraiser (PFR) or fund raising counsel (FRC) during the reporting period must pay a filing fee of \$25, regardless of local support and revenue and file additional schedules detailed on the above referenced website.
2. If your local League has a foundation 501 © 3, you will need to register, separately.

***SEND COPY OF FORM FILED TO STATE LEAGUE OFFICE: 62 GRAND STREET, ALBANY, NY 12207-2712**

ACKNOWLEDGMENT OF DONATIONS

No charitable deduction will be allowed for donations of \$250 or more after 1993 unless the giver has written substantiation of the gift from the charity. This new law rule applies to any type of donation. If a donation is made by check, the canceled check isn't good enough anymore.

Congress says the charity's written acknowledgment of the gift need not be in any particular form. It can be a letter, a postcard or a computer-generated form and does not have to include the donor's Social Security number (or other taxpayer ID number). But it must "provide information sufficient to substantiate the amount of the deductible contribution." If the donor gives property worth \$250 or more, the receipt must describe the property (but the charity need not value the property). Present rules require taxpayers to file certain information (on Form 8283) if a deduction for all non-cash contributions exceeds \$500. That was not changed.

The written acknowledgment the donor receives must contain an estimate from the charity of the value of any goods or services received in exchange for the gift. If no goods or services were provided, the receipt must say so. If a donor gives \$250 or more to a religious organization and receives an intangible religious benefit in return (e.g., admission to a religious ceremony), the organization's acknowledgment must state that the benefit was furnished. However, the organization need not describe or value the benefit.

The substantiation requirement is imposed on the gift givers--no receipt, no deduction. Donors who need a receipt do not have to get it at the time they make the gift. It can be obtained any time before filing the tax return for the year of the donation.

Another part of the new law requires charities to inform donors how much of their donations are deductible when a donor receives anything of more than token value in exchange for a donation --a dinner, for example. This new disclosure requirement applies to donations of more than \$75 (even those under \$250 that do not have to be substantiated) where the donor makes the gift at least partially for goods or services provided by the charity. So, for example, if a charity receives a \$100 contribution from a donor in exchange for a \$40 dinner, the charity must inform the donor in writing that only \$60 is deductible. The disclosure must be made for gifts after 1993, either when the donation is solicited or when it's received.