Treasurer

Roles, Responsibilities and Financial Management

District 24-A
Officer Training
June 2011

Mike Yuenger
Cabinet Treasurer
Treasurer, Lake Ridge Lions Club
Agenda

- Club Financial Management
- Role of the Club Treasurer
- Bank Accounts
- Payments and Recordkeeping
- Financial Reports
- Federal Tax Returns
- Charitable Organizations
Club Financial Management

• Clubs are chartered by Lions International
• Recognized by U.S. Government as Tax Exempt Organizations (IRS Pub 557)
• Sound fiscal management is not just the Treasurer’s duty
• The Club’s Board of Directors is responsible both ethically and legally
• All members should be fiscally responsible!
Conflict of Interest

- LCI Conflict of Interest Policy
- Using Lions for Personal gain – Lions Oath
- Solicit funds for other organizations we may belong to in addition to Lions
- Abstain from voting if there is the slightest perception of a conflict of interest and have it recorded
- Subject to public scrutiny and audit!
What is the Role of the Club Treasurer?
The Role of the Club Treasurer

The **Club Treasurer** is responsible for all financial matters pertaining to the club

- Is a member of the Board of Directors of the club
- Maintains accurate financial records
- Custodian of all club funds -- Collects, records and disburses funds for the Club
Treasurer Duties

- Attends Board of Director meetings and club meetings
- Keep members informed
- Deposits monies in bank
- Assists in budget preparation
- Disburses funds as directed
- Prepares and provides reports
Transition Duties

• Meet with immediate past Treasurer to obtain club financial records after audit of records
• Obtain Password from LCI – email from LCI
• Arrange for Banking Institution
• Obtain approval of Banking Institution @ first Board Meeting
Banking Institution

- Review current banking institution
- Bank approved by Board
- Select officers to sign and cosign checks
- All check signers approved by Board
  - Recommend dual signatories for checks
- Update signature cards for approved signatories
Bank Accounts

Must have two accounts:

• Activity Account
  - Receipts from public fundraisers
  - Disbursements for community, state or international welfare

• Administrative Account
  - Receipts from dues, fines and internal fundraisers/activities
  - Disbursements for meeting meals, dues, apparel, and other internal activities
LCI Tenet

- Money that comes from the public is **ACTIVITY** funds/money

- Money that comes from club members is **ADMINISTRATIVE** funds/money

- **ACTIVITY** funds may NOT be used for administrative purposes

  **ADMINISTRATIVE** funds MAY be used for activity purposes
Budget Preparation

• Club preference or practice for budget development – By Committee; Treasurer;

• Develop draft budgets: Activity & Administrative Budgets

• Present draft budgets to Board of Directors for approval

• Present to the club members to inform
Budget Preparation

• **Administrative budget**
  
  Determine amount needed by the club to cover:

  State and International dues

  All other expected administrative expenses – meals; club supplies and awards; club hats and shirts; flowers for ill and/or deceased members

• **Activities budget**

  Develop income and expenses for each planned project/fundraiser

  Club records from prior years reflect project revenues and expenses
Paying Obligations

The Treasurer ensures all club obligations are paid and recorded.
Paying Obligations

• All payments must be authorized by the Board of Directors with approval recorded in Board minutes
  – Individually by Board
  – Authorized by approved budget
  – Limits may or may not be specified
Paying Obligations

• Pay club bills promptly
  – Checks and vouchers need to be signed by the Treasurer and countersigned by the selected officer, with signature on file at the bank
  – Make payments for items purchased by the club, from LCI as well as dues for state and international
  – Online payments to LCI by credit card or by electronic check (ACH) payment
State Dues

• Currently $16.00 per member

Amendment to raise State dues failed at May State Convention in Richmond

• Billed in November based on October club membership numbers

• Pay by December 31
International Dues

• Currently $39.00 per member

Proposal to raise dues scheduled for consideration at upcoming International Convention

• $19.50 per member billed in July based on June 30 membership data

• $19.50 per member billed in January based on December membership 31 data

• Family membership
  – Additional family members half price

• International dues not paid by Life members
Recordkeeping and Reports

Organized and accurate recordkeeping and submitting detailed and timely reports are priorities for the Treasurer
Tools For Your Use
Accounting/Recordkeeping

• Manual
  - Manual journal, ledgers, and columned paper
  - Not recommended

• Accounting Software packages for small businesses:
  – Quicken (Intuit)
  – Peachtree (Sage)
  – QuickBooks (Intuit)
  – AccountEdge (formerly MYOB)
  – Simply Accounting Pro (Sage)

• Excel – don’t recommend as primary accounting system; OK for detail ledgers

• If you use a computer, back up your data (offsite) on a regular basis
Recordkeeping

• Maintain general records of club receipts and disbursements
  – Reconcile bank statements monthly
  – Record monthly income and expenses promptly. The best way to ensure accuracy is to *immediately* record monies received and paid
  – Review monthly itemized statement of credits and charges from international headquarters for accuracy
Reports

• Prepare and submit monthly and semi-annual financial statements
• Reports should be brief, factual and informative
• Monthly report includes a brief income and expenses statement - where money came from and where it went
• Present copy to secretary for meeting minutes and reports to LCI (Activity Report)
Financial Reports

• Annual Budget
• Budget Compared to Actual
  – Quarterly or Monthly
• Detailed Fund Raiser Reports
• Detailed list of Expenditures (required by some clubs)
• Outstanding Dues owed by Members
• Tax Returns
Club Federal Tax Return

- All Lions clubs are required to file an annual return with the IRS
- Type of return based primarily on club’s annual Gross Receipts
  - Form 990-N (e-Postcard)
  - Form 990-EZ (paper or electronic)
  - Form 990 (paper or electronic)
Form 990-N

- $50,000 or less for tax years ending on or after December 31, 2010
- $25,000 for tax years ending between December 31, 2007 and December 31, 2010
- Organization’s legal name
- Mailing address
- Website if applicable
- EIN
- Name & address of a principal officer
- Annual Tax Period (typically the fiscal year July 1-June 30)
- Attest to annual gross receipts
- Organization terminated or gone out of business
- File by November 15 if fiscal year is 7/1 – 6/30
Forms 990EZ and 990

• For 2009 tax year (filed in 2010 or 2011):
  Form 990-EZ
  - Gross receipts < $500,000 and
    Total Assets < $1.25 million
  Form 990
  - Gross receipts > $500,00 and
    Total Assets > $1.25 million

• For 2010 tax year and later (filed in 2011 and later):
  Form 990-EZ
  - Gross receipts < $200,000 and
    Total Assets < $500,000
  Form 990
  - Gross receipts > $200,00 and
    Total Assets > $500,000
IRS Tax Forms

• LCI Web site @ URL:


• Also available at Charities and Non-Profits section of IRS web site at:

Failure to File A Return

• Fail to file:
  – 3 Consecutive years
  – Tax-exempt status is revoked
  – On the filing due date of the 3\textsuperscript{rd} year

• Organization can be reinstated but there is a formal process and a fee is required
Tax Exempt vs. Charitable Organizations

• 501(c)(4) Organizations are tax exempt
  – Lions Club International (LCI)
  – Lions Clubs
  – Promote social welfare

• 501(c)(3) Organizations are tax-exempt, charitable organizations
501(c)(3) Entities

- 501(c)(3) Organizations
  - Charitable Organizations
    - LOVF, LCIF, ODEF, Bland
    - Exempt from Federal Income Tax
    - Exempt from some States Taxes
    - Tax-deductible Contributions for donors
    - Organized & Operated for Exempt Purpose
  - Sometimes called Foundations – only one type of a Charitable organizations; also Public Charities
501(c)(3) Entities

Advantages
• Donations to Public Charities may be tax deductible
• May open doors for Lions Clubs to raise money from corporate donors

Disadvantages
• Must apply for tax classification with IRS; expensive
• Must maintain separate books, separate board of directors
• Costs:
  – Additional accounting fees
  – Possible legal fees (incorporation)

IRS Charities and Nonprofits homepage:

Club Incorporation

• Recommendation
  – Each club be Incorporated

• Why?
  – If the club is incorporated the members are not liable law suits
  – Use LCI Club Standard constitution & By-laws
  – Cost $75
  – Annual Fee $25

• Unincorporated
  – Members could be liable in a law suit
Virginia Retail Sales and Use Tax Exempt Certification

- Renewed until 5-19-2014
- Good for purchase of tangible, personal property *directly* with club funds & certificate; no reimbursement for personal purchases
- On 24-A web site – Administrative Forms
- Can be obtained from MD 24 Secretary/Treasurer
  - Lion Tammy Brightwell
  - 5004 Colonial Ave, SW
  - Roanoke, VA 24018-3916
  - (540) 989-5225
  - lionva@verizon.net
Bingo and Raffles

• Need a Gaming Permit from the Virginia Department of Agriculture and Consumer Services; Division of Charitable Gaming

• Exemption for raffles if less than $25,000 in gross revenues

• Information is available from the website: www.dcg.virginia.gov/
100% Treasurer’s Award

• Properly record all financial transactions
• Correct and timely payment of both State and International dues
• Collect all dues and fees from members
• Report delinquent Lions to Board of Directors
• Sponsor a new Lion or attend State convention
• Attend Treasurer’s school at district or at State convention
• Serve the full term of office
• Independent audit performed of Admin and Activities accounts
• All records transferred to next Treasurer
• Attend two region/zone meetings or by proxy
• Attend District Fall Conference or by proxy
SUMMARY

• Treasurer is an agent of the Board
• Administrative and Activity funds are never mixed
• Use checks and keep receipts
• All expenditures must be approved by the Board
• Maintain accurate books and records
• Pay obligations on time
• Provide timely and accurate reports
• Avoid conflicts of interest
• File IRS returns
Questions?

Good Luck as Club Treasurer
Acknowledgements

PCC Phil Schrack, District 24-A
LCI Treasurer School

Lion Mike Yuenger
myuenger@comcast.net