

REPUBLICAN WOMEN OF CALIFORNIA
SAN DIEGO COUNTY

2019 RWC-SDC Leadership Seminar
TREASURER WORKSHOP

Compiled and Prepared by
Josie West, Past SDCFRW Treasurer

PREFACE

As the Unit Club Treasurer, you must master the basics of your “Business”. In our case, the “Business” is Volunteer Political Activity. Here are your Basics:

1. The Club Treasurer should ensure that your President appoint a member OTHER THAN the Treasurer to lead a **Budget Committee**. A good grouping as the BASE Budget Team is the Budget Chair, the Treasurer, the President, and the immediate Past President. All Unit Club elected officers and appointed chairs could also be invited to attend budget planning meetings (e.g., the Membership V.P. will propose her plans for recruiting and retaining members in order to determine budgeted membership dues, per capita, and associated membership expenses; ditto the Ways & Means V.P. re: ideas for fund raising).
2. The Club Treasurer has a key role in evaluating your Club's financial resources and spending trends. In short, the Club Treasurer should review **Actual expenses versus the Budget** each month. Report Budget-to-Actual to the Board at 3-month intervals (more or less is okay based on your Actual-to-Budget performance).
3. The Club Treasurer should IMMEDIATELY **report any irregularities**, concerns or opportunities to the President and Board.
4. The Club Treasurer should insist on an annual **independent Financial Review** every year. This can be done by a member of your Unit Club or by a member of another unit club. It is generally unlikely you will need a Review by an outside agency or a Certified Public Accountant.

5. The Club Treasurer must ensure that Liability Insurance is paid to the RWC-SDC Treasurer. She will bill you at a rate per number of members. Be aware that **additional insurance may be required for special events** your Club may sponsor. Ask for advice from the County President or County Treasurer, who can refer you.
6. The Club Treasurer must know what **records to retain**, to pass on to your successor, or to destroy.
7. If you use technology for your records, the Club Treasurer must ensure that records are backed up and protected. You must develop and follow a **safekeeping plan**.
8. The Club Treasurer must know **tax status and requirements**.
9. The Club Treasurer must know State & Federal election reporting, as well as IRS and California Franchise Tax Board reporting, when applicable.

This page intentionally left blank

THE ROLE AND RESPONSIBILITIES OF THE UNIT CLUB TREASURER

The Bylaws of the Unit Club generally will outline financial procedures and policies. Duties of the Treasurer may vary in different Clubs. Usual procedures include the following:

1. **Sole Custodian**: The Club Treasurer is sole custodian of all funds belonging to the Club.
 - o The Treasurer deposits the monies received, disburses it, and accounts for it.
 - o The funds received and funds disbursed should be “accounted for” by a CHART OF ACCOUNTS appropriate for your Club. This may be as simple or detailed as your Club needs. Its purpose is to enable tracking of monies in a way that reflects the types of expenditures your Club makes in meeting its goals and objectives.
 - o The Treasurer’s books must be accurate and up-to-date. The format you use can be simple, but whatever the system, it should be balanced each month and reconciled with the bank statement to insure that the entries are correct and that no errors appear in either the Treasurer’s ledgers or the bank account.
 - o The Treasurer must be **prompt** in remitting funds depositing funds, balancing the bank statement, and making reports. All these matters are done more easily when the transactions are fresh in mind. Deposit your funds promptly.
 - o Bills cannot be paid just because the item is in the Budget. A Board Motion (and sometimes a General Meeting

Motion) must be made, seconded, discussed, and passed to remove money from the treasury. A Budget is only a guideline.

- o It is the duty of the Treasurer to advise the President and Budget Chairman when expenditures are nearing budget.
- o Many Unit Club Bylaws limit the amount of money the Executive Committee or Board can spend without general membership approval. If your Club has a limit, make sure you know the amount.
- o All disbursements must be recorded in the minutes by the Recording Secretary. This is the official record that the Treasurer had the authority to pay the bill.
- o Keep Treasurer's records for a minimum of five (5) years.

In addition to the Bylaws and Standing Rules, it is highly recommended that Clubs have written Financial Policies. These policies should be reviewed at least annually to ensure that the policies state the procedures that are currently being followed.

2. Club Financial Policies should:

- a. Follow guidelines established in the Policies.
- b. Be certain that all federal and state laws are followed.
- c. Outline detailed and specific duties of the Treasurer.
- d. Specifically define reimbursement procedures:
 - o Identify persons authorized to spend and be reimbursed, and be specific about limitations that may apply.

- o Develop a voucher system to be used for all reimbursements, and make no exceptions.
 - o Require receipts to be attached to the voucher and require the form to be signed by the authorized officer or chairman.
 - o Establish who the authorizing signatures will be.
 - o Establish guidelines for persons who will be authorized travel reimbursement.
 - O Reimbursement for travel expenses should be specific. [EX: Travel arrangements will be reimbursed at the lowest possible rates only, and any overage will be the responsibility of the member].
 - o Be certain that other specific items and issues for reimbursement are covered.
- e. Revisions to the Budget must be approved by the Board and possibly by the Membership.
- f. Monies approved in the Budget may be paid by the Treasurer without further approval, providing the amount does not exceed the Budget.
3. Annual Independent Financial Review. The books and records of the Treasurer **must always** be reviewed by an independent club member at least annually and always before a new Treasurer takes office. The Treasurer preserves all records pertaining to the office of Treasurer and delivers them to the Financial Review Officer, who reviews them and returns them to the Treasurer to deliver to the new Treasurer.
- a. The Treasurer must provide all of the financial information for the Review:

- o All Treasurer's Reports
 - o All bank statements
 - o Copy of Club's Financial Policies
 - o All receipts and vouchers
 - o Any authorizations for budget changes
 - o Any additional information requested
 - o Be available for questioning and clarification
 - o Present the Review Report to the Board and Membership.
- b. The adoption of the Financial Review Officer's report stating that the financial records are correct, relieves the retiring officers of the responsibility for the period covered by the report (usually at the annual meeting).
- c. The Bylaws should state when and by whom a financial review is to be made.
- d. The Club is responsible for its financial management.
4. Signature Cards and Bank Accounts. When a new Treasurer takes office, it is necessary to contact the Bank approved by the Executive Committee or Board and complete the required signature cards, making certain that signatures of authorized officers (usually President, Recording Secretary, and Treasurer) are recorded by the Bank before the checks are written.
- o To do this, the Bank will require a SIGNED copy of the GENERAL minutes where the Officers were

elected by the general membership, the Unit Club's IRS Tax ID number, and the physical presence of the three (3) check signers at the bank.

- o Two of the three names required by the bank signature cards should be on every check. Countersigning by the President (or Secretary in her absence) is a safeguard used to protect both Club and Treasurer in emergency situations.
- o Arrangements should be made at the bank to have the bank statements sent to the Treasurer's home.
- o The Treasurer should also confirm online banking services available for the account.
- o All banking is done ONLY in the **name of the Club**.
- o When ordering checks, the Club name (**but NO address nor officer names**) should be printed on the checks, which avoids ordering new checks with the change of officers.

5. Monthly Reporting. The Treasurer's Report should be a part of every business meeting and should be a monthly WRITTEN report — also an accrued report if so stated in the Bylaws. The Report should include a list of checks written since the last Board meeting. As Treasurer, you will make a motion to the Board to RATIFY these checks as written. Also note that the Treasurer's Report is "Filed for Financial Review" and is not "Approved". Copies of the report should be given to the President, Budget Chairman, and Recording Secretary (to be filed with the minutes).

6. Status of Treasurer Reports. Treasurer Reports are "Filed for Financial Review" at Board and General Meetings. They are not "Approved".

7. **Membership Accounting.** The Treasurer and Membership Chairman should work closely together in order to keep membership records accurate.
 - o Dues coming in and Per Capita fees going out are payable according to the Bylaws.
 - o The Treasurer should receive a copy of the Per Capita Report for the Treasurer's records. The Treasurer makes out the per capita check to accompany the Per Capita Report, which the Membership Chairman or Secretary will forward to the County.
 - o A membership file showing the name, address, home and work telephone numbers, fax number, and e-mail address of each member, and the date dues were paid, amount, and the date of per capita payment to the County, should be kept by the Per Capita Secretary or Membership Chairman, and always balanced with the dues received AND the Per Capita Fees paid by the Club Treasurer.
 - o The Per Capita Secretary should keep the Membership Chairman and the Club Treasurer informed of additions or deletions to the list to keep in balance.
8. **Dues Accounting.** Each Club is responsible for paying dues to its County. Follow the instructions received from the County Treasurer as to the AMOUNT of per capita dues and the DATES of payment.
9. **Envelopes.** Use envelopes to put money/checks into so you won't forget what the money is for. Unit Clubs may or may not choose to require that a receipt be given for all funds (including checks) received by the Treasurer.

10. Ledger sheets. All checks and cash must be entered separately. Also, be prepared to make “Journal Entries” as needed. The most common are bank entries for denied (bounced) checks or entries to reverse checks lost or never cashed by the payee.
11. Record Keeping/Retention. The Treasurer should keep a notebook containing current copies of the budget, bylaws, reports given, and any other information concerning the Treasurer’s duties. Though some records require a 3-year retention, it is simply straightforward to have a policy to retain Treasurer’s records on file for at least 5 years. If Gross Receipts are to exceed \$25,000, or if your Club has property or payroll, get advice from the County.
12. Other Responsibilities. The Treasurer should request to be a member of the Budget and Ways & Means Committees.
13. Accounting Methods. The Unit Club should use a standard general ledger format for keeping the Treasurer’s records. Handwritten, Spreadsheet software, or accounting computer programs may be used, but should be kept simple. For simplicity of preparation and understanding, it is recommended that records be kept on a CASH basis rather than on ACCRUAL basis.
14. Campaign Reporting. The Treasurer is responsible for preparing and filing all forms required by law regarding CAMPAIGN REPORTING. Be cautious about political donations.
15. Political Donations. If your Club donates to candidates, remember about CAMPAIGN REPORTING. **Amounts over \$999** must be reported to the FPPC and FEC. NOTE: In 2011 and 1012, we have been advised by NFRW and by CFRW to make NO direct contributions from Unit Clubs to individual candidates for this reason.

16. **Providing Tax Status to Donors.** Should you need to provide Tax Status to a Business you are asking for a donation, the easiest way is to provide the IRS Form W-9. You **DO NOT SEND IT TO THE IRS**. It is simply a way to let a donor know your IRS reporting number and tax status as an IRC Section 527 Political Volunteer Organization. A sample is provided.
17. **Taxpayer Identification Number.** Each Unit Club must have its own IRS number. A federal identification number may be obtained by requesting Form SS-4 from your local IRS office. This number will be the Club's permanent ID number regardless who is Treasurer. **NEVER OBTAIN MORE THAN ONE NUMBER FOR YOUR CLUB.**
18. **Tax Implications.** Beware of tax reporting or requirements to file Form 1099s. Banks now require your Tax Identification Number when opening an account. The Bank must have a number on file to report any interest earned. We **HIGHLY** recommend that you **DO NOT HAVE INTEREST BEARING ACCOUNTS**. Tax rules require earned interest in the amount of \$10 or more per year to be reported by the Bank to the IRS on Form 1099-INT. This, in turn, generates the requirement for you to file tax returns. **We strongly recommend that Unit Clubs do not have interest earning accounts.** There isn't any law that states a unit club cannot have interest bearing accounts, but **consider the penalty and interest consequences if you do not file with the IRS.** Certain stipends or allowances to members that exceed \$600 per year **MAY** require 1099 reporting and must be included in the recipient's tax return as income. Have your President keep detailed records of her expenses for her own protection.

19. **IRS Standing.** We are NOT a non-profit organization. Reason: we are a partisan organization. Our classification is “Political Volunteer Organization” under the United States Internal Revenue Code (IRC) Section 527.
20. **Section 527 Reporting Requirements.** Unit Clubs with more than \$25,000 in Gross Receipts are expected to file with the IRS as a Section 527 Volunteer Political Organization. This requirement is in flux due to differences among the Internal Revenue Code, IRS Regulations, and implementing procedures within the IRS. As of 01/12/2013, if you anticipate RECEIPTS less than \$25,000, you will not have a requirement to file any Federal returns under Section 527.

If your Unit Club anticipates Gross Receipts in Excess of \$25,000, seek assistance through the County for guidance. If your Club is required to file Form 990 EZ, the filing deadline is May 15th. The IRS does not mail the form. Visit the IRS website (www.irs.gov/). Click on Forms and Publications, use the search field and look for Form 990 EZ. The pdf form may be completed online and printed out. E-filing is not recommended because it does not work for most Clubs. When the form is completed, print, sign, make copies (treasurer, president, and recording secretary records), and mail it.

21. **Contributions to 527 Organizations Are Not Deductible.**

Types of Club income which are non-taxable:

- o membership dues, fees, or assessments
- o proceeds from fundraising or an entertainment event
- o proceeds from the sale of political campaign materials

Types of Club income which are taxable:

- o interest and dividends on investments**
- o proceeds from rents or any other business income**
- o capital gains**

SAMPLE A

SUGGESTED TREASURER'S BINDER CONTENTS

TAB1: GENERAL INFORMATION

- . SDCFRW contacts (e.g., treasurer, per capita secretary)
- . Your Club contacts (with address, e-mail, phone nos.)
- . A copy of your Club's current Bylaws & Standing Rules
- . Your Club's IRS Tax Number

TAB 2: BUDGET/INSURANCE/CONTRACTS/FINANCIAL REVIEW

- . A copy of your budget with occasional updates as you deem
- . A copy of the SDCFRW Insurance Certificate (from SDCFRW Treasurer)
- . Copies of contracts/agreements for your Club (e.g., luncheon agreements)
- . Financial Review Report (sample included here)

TAB 3: YOUR CLUB FORMS

- . Vouchers for members to prepare reimbursement
- . Forms you may want to use for money/checks given to you for deposit

MONTHLY TABS (ONE EACH FOR JANUARY-DECEMBER) CONTAINING YOUR CLUB'S FINANCIAL REPORTS

- . Bank statement, including reconciliation details with your ledger balance
- . Treasurer's Report to your Board and General Membership (note: reports are not to be APPROVED by your Board but rather FILED for FINANCIAL REVIEW)
- . As part of 2, include detailed list of checks written, ask in the form of a motion to the Board for these checks to be "Ratified as Written" and such motion should be included in the Recording Secretary's Minutes for that month
- . Include a copies of both Board Minutes AND General Membership Meeting Minutes in your Treasurer's books
- . Any handwritten notes you may want to keep during the year

- . **Check Request or Voucher Form for EACH disbursement made from your account, indicating which account charged in line with your budget line-items and chart-of-accounts. Attach receipts to back up the disbursement made**
- . **Spreadsheets or ledger sheets used to balance and make all deposits, indicating which account credited in line with your budget line-items and chart-of-accounts**
- . **A Year-to-Date report of Accounts as you choose to accumulated Receipts Disbursement**
- . **Any other analysis you may do yourself or in response to your President (e.g., how a particular fundraiser performed or how your Club is fairing compared to the same point last year)**

Annual Tab with your Club's Summary Financial Report for the Year

- . **You can put this at the back of your notebook or behind Tab 2 above**

SAMPLE B
SUGGESTED TREASURER'S REPORT

NAME OF UNIT CLUB

STATEMENT OF RECEIPTS & DISBURSEMENTS FROM _____ TO _____

BALANCE ON HAND (Date) _____ \$ _____

RECEIPTS:	Month	Year to Date
Membership	\$ _____	\$ _____
Ways & Means	_____	_____
Luncheon	_____	_____
Bounty	_____	_____

TOTAL RECEIPTS FOR (Month) _____ \$ _____

DISBURSEMENTS:		
Newsletter	\$ _____	\$ _____
Admin-Postage	_____	_____
Admin-Printing	_____	_____
Admin-Supplies	_____	_____
Caring for America	_____	_____
Conventions/Meetings	_____	_____
Insurance	_____	_____
Luncheon	_____	_____
Per Capita	_____	_____

TOTAL DISBURSEMENTS FOR (Month) _____ \$ _____

BALANCE ON HAND (Date) _____ \$ _____

Copies:

President
Recording Secretary
Budget Chairman
Financial Review Officer
File

SAMPLE C
SUGGESTED TREASURER'S VOUCHER FORM

NAME OF CLUB
Request for Payment

TO: TREASURER

Date Submitted _____

(Treasurer's Use Only)

Authorized by: _____

Date Paid _____

Pay to: _____

Voucher # _____

Address: _____

Check # _____

Amount \$ _____

Committee: _____

FOR: (Itemize bills and attach copies of all receipts)

NAME OF CLUB
Request for Payment

TO: TREASURER

Date Submitted _____

(Treasurer's Use Only)

Authorized by: _____

Date Paid _____

Pay to: _____

Voucher # _____

Address: _____

Check # _____

Amount \$ _____

Committee: _____

FOR: (Itemize bills and attach copies of all receipts)

**SAMPLE D
SUMMARY ANNUAL REPORT**

Beginning Balance 31 December (prior year)	5,721.48
YEAR Receipts	23.693.50
YEAR Disbursements	<u>23,143.89</u>
Ending Balance 31 December (current year)	<u>6,271.09</u>
Cash in Bank	6,216.09
Petty Cash	<u>55.00</u>
Ending Balance 31 December (current year)	<u>6,271.09</u>

SAMPLE E
STATEMENT OF THE FINANCIAL REVIEW OFFICER
FOR THE UNIT CLUB NAME FEDERATED

As the appointed Financial Review Officer, I have reviewed the financial statement of the UNIT CLUB NAME Republican Women Federated for the 12 months beginning 1 January YEAR and ending 31 December YEAR. The review of these statements included a detailed review of monthly treasurer's reports, monthly bank statements, and the back-up documentation for deposits and expenditures, including the meeting minutes that support approval of expenditures. All records of the UNIT CLUB NAME Republican Women Federated are kept on a cash basis.

The opening balance on 1 January YEAR: \$ ##,###.##
Receipts for 12 months ending 31 December YEAR: ##,###.##
Disbursements for 12 months ending December YEAR: \$ ##,###.##

The closing balance on 31 December YEAR: \$ ##,###.##

In my opinion, these financial statements present fairly the financial position and financial performance of the UNIT CLUB NAME Republican Women Federated for the 12 month period ended 31 December YEAR.

Respectfully Submitted,

NAME of Financial Review Officer
UNIT CLUB NAME Republican Women Federated Financial Review
Officer
DAY MONTH, YEAR

Nothing in this review shall be construed as an 'audit' in accordance with Generally Accepted Auditing Standards (GAAS). UNIT CLUB NAME Republican Women Federated financial records are maintained on a CASH basis.

SAMPLE F
UNIT CLUB REPUBLICAN WOMEN FEDERATED
ACTUAL VS BUDGET
As of DATE

	<u>Prior Yr Budget</u>	<u>Prior Yr Actual</u>	<u>Current Yr Budget</u>	<u>Current Yr Actual</u>	<u>Delta</u>
RECEIPTS					
Dues, Regular					
Dues, Gold Membership					
Dues, Associates					
Dues, Husbands					
Bounty					
Newsletter Ads					
Awards/Donations					
Ways & Means					
Lunch Receipts					
TOTAL RECEIPTS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
EXPENSES					
Per Capita Dues					
NFRW Annual Service Fee					
Liability Insurance					
Administrative Expenses					
Postage & Delivery					
President's Expenses					
Program Expenses					
Conventions/Meetings/Seminars					
CFRW Ambassador Program					
Scholarship/Advocacy					
Newsletter Printing & Postage					
Membership Promotions					
Membership Directory					
Federation Donations					
Precinct/Campaigns					
Sunshine/Memorials					
Social Media/Website					
Caring for America					
Ways & Means Expenses					
Lunch Expenses					
TOTAL EXPENSES	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Net plus/(minus)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

SAMPLE G

UNIT CLUB REPUBLICAN WOMEN FEDERATED

CHART OF ACCOUNTS

BALANCE SHEET

Cash in Bank
Petty Cash

RECEIPTS

Dues, Regular Membership
Dues, Gold Membership
Dues, Associate Membership
Dues, Spouse Membership
Bounty (voter registration)
Newsletter Ads
Awards/Donations from Others
Ways & Means
Lunch Receipts

DISBURSEMENTS

Per Capita Dues
NFRW Annual Service Fee
Liability Insurance
Administrative Expenses - Bank Charges
Administrative Expenses - Postage/Delivery
Administrative Expenses - Printing/Reproduction
Administrative Expenses - Supplies & Materials
President's Expenses
Program Expenses
Conventions/Meetings/Seminars
CFRW Ambassador Program
Scholarship/Advocacy
Newsletter Printing & Postage
Membership Promotions
Membership Directory
Federation Donations
Precinct/Campaigns
Sunshine/Memorials
Social Media/Website
Caring for America
Ways & Means Expenses
Lunch Expenses

**SAMPLE H
REQUEST FOR TAXPAYER IDENTIFICATION
NUMBER (Form W-9)**

Go to www.irs.gov/ for the current copy of Form W-9.