



# TREASURER'S BEST PRACTICE WORKSHOP

## JANUARY 25, 2020

Tamra Walker '89, Federation Treasurer 2019-2020

## WORKSHOP INFORMATION CHECKLIST:

- ✓ Form 990s – Your Club's Income Tax Return
- ✓ Federation Form B
- ✓ Federation Form Y
- ✓ Raffles, Gifts & More
- ✓ Treasurer Duties – Budgets, Banking & Bookkeeping
- ✓ Be Aware of Phishing Scams

# YOUR CLUB'S TAX RETURN: FORM 990

- Each club is required to file Form 990, 990-EZ, or 990-N
  - Form 990-N: Gross receipts less than \$50,000; must be e-filed; postcard, no schedules
  - Form 990-EZ: Gross receipts greater than or equal to \$50,000 but less than \$200,000, and total assets less than \$500,000; 4 pages and 8 possible schedules
  - Form 990: Gross receipts greater than or equal to \$200,000, or total assets greater than or equal to \$500,000; 12 pages and 16 possible schedules
- Group Exemption – **Federation of Texas A&M University Mothers' Club**
  - Group Exemption Number – **7128**
- **Due Date:** 15th day of the 5th month after accounting year end
  - i.e. May 31 year end deadline: **Due Date is October 15<sup>th</sup>**

For questions or help completing, please contact **Diane Eckols, President Elect, (713) 591-1709, [preselect@aggienetwork.com](mailto:preselect@aggienetwork.com)**

# Returns of Organizations Exempt From Income Tax

Your information is on the web:

Guidestar

[www.guidestar.org](http://www.guidestar.org)

"Federation of Texas A&M University Mothers Clubs"

Group Exemption Number 7128

View Parent Organizations

View Subordinate Organizations

Charitable status – Pub 78 data

<https://www.irs.gov/Charities-&-Non-Profits/Exempt-Organizations-Select-Check>

Use FEIN if possible

# FEDERATION FORM B: PAYMENT OF FEDERATION DUES AND ARCHIVE FEES

- Form B is submitted with Club check for membership dues and Archive Fees
- Must be postmarked by **February 1, 2020** to be ON Time; After February 1st, there are late fees
- If not received by May 31, 2020, your club may be considered inactive.
- Make an extra copy of Form B to send with Form T to President-Elect, Diane Eckols.
- The Dues check is NOT sent to the President-Elect. It is mailed with Form B to the Treasurer.
  - **Tamra Walker '89 Federation Treasurer**  
**PO Box 661**  
**Coppell, TX 75019**
- If dues are late, no one from your club can be nominated for a Federation officer position for the 2020-2021 year.

**For questions or assistance contact Tamra Walker, Treasurer, 214-850-4473 (text only), [treasurer@aggienetwork.com](mailto:treasurer@aggienetwork.com)**

# FEDERATION FORM Y: CONFIRMATION OF FEDERAL AND STATE TAX COMPLIANCE

*"All clubs that are members of the Federation of Texas A&M University Mothers' Clubs are expected to comply with State and Federal laws concerning taxes. The Federation of Texas A&M Mothers' Clubs will not be responsible for any fund raiser of a member club. The Federation of Texas A&M University Mothers' Clubs will only raise funds for the Federation."*

- Form Y is a Checklist for Tax Compliance – due to Federation Treasurer **May 15, 2020**
  - **Tamra Walker '89 Federation Treasurer**
  - **PO Box 661**
  - **Coppell, TX 75019**
- Form Y is submitted to provide Federation with information on your Club's:
  - Tax free days
  - Sales tax payments (taxable vendor sales, raffles, etc.)
  - IRS tax filing for raffle prizes

**For questions or assistance contact Tamra Walker, Treasurer 214-850-4473 (text only), email: [treasurer@aggienetwork.com](mailto:treasurer@aggienetwork.com)**

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## ➤ **As a non-profit, your club is eligible for two (2) Texas sales tax free days:**

- Your Board must approve the days BEFORE the event and it must be in the minutes of the meeting.
- Each day is 24 hours straight time. The 24 hours cannot be broken into segments for more than 2 days.
- Silent auctions and live auctions trigger sales tax on the value of the items involved. Any day of an auction can be used as a sales tax free day. If you claim Family Weekend as your TWO sales tax free days, you pay sales tax for your silent or live auction. You can choose to have only one Boutique day as a tax free day if that works best financially for your club.
- On a tax free day, an outside vendor does NOT get the benefit of your club's tax free day. Your club can sell items without sales tax but the vendor must charge sales tax.

## RAFFLES, GIFTS & MORE

### ➤ **Raffles**

- Up to 2 raffles are allowed per calendar year but not at the same time
- No Texas sales tax is due
- Tickets must show prize, date of raffle, and method to notify winners
- Club must be in existence for 3 years
- No cash prizes
- Cannot be advertised state-wide and the value of the prize cannot exceed \$50,000
- Please refer to IRS Form 1340 for more details



## GIFTS TO AGGIES AND AGGIE MOMS

- Gifts of more than minimal value must be available to all Aggie Moms and/or Aggie students in your area.
- The gifts must be publicized in at least two ways and eligible community members must be able to easily find out about the chance to receive a gift or cash with a value of \$25.
- All cash prizes and gift cards for students are reported to Texas A&M Financial Aid. Gift cards in Goody Bags/Study Kits is NOT recommended.
- Gifts to moms should not have a value of over \$25 since it violates IRS regulations that prohibit non-profits from distributing their assets to insiders only, and must use the money raised by the club for its objectives.

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## Gifts to Aggies and Aggie Moms

- What Aggie Moms' Clubs have in common is that their mission is to raise money to benefit Aggies through scholarships and donations to student organizations.
  - Be careful of giving gifts of value only based on members' participation points. This is not approved by the IRS and the gift should be made available to all Aggie Moms in the area.
  - Examples of acceptable gifts to Aggie Moms:
    - Door prizes of small value can be given out to attendees at a meeting.
    - A gift of up to \$25 can be given for outstanding volunteer work such as a gift to an outgoing President or Senior Moms who have given many hours of time to the club.

# SCHOLARSHIPS FOR 501(C)(3) ORGANIZATIONS

- Clubs are able to establish criteria for scholarships such as residence zip codes, GPA, essay etc.
- Membership in an Aggie Mom club cannot be one of the requirements to apply.
- A blind method should be used to evaluate the applications and award scholarships to avoid suspicions of favoritism. Better yet – let the University choose!
- Opportunities to apply must be well publicized in many ways so that all eligible Aggies can apply.
- Scholarship money must be sent to Texas A&M University Financial Aid so it can be available in the students' accounts.
- See slide show on Scholarships which can be found on the Federation of Aggie Moms' website for more information.

# BINGO

- Due to the complicated rules surrounding bingo that includes a requirement of a letter from the Federation of Aggie Moms, the Federation of Aggie Moms' Board voted in August 2015 that letters will not be written to support any applications for Bingo.
- NO BINGO IS ALLOWED!!!

# TREASURER DUTIES

## ➤ **Treasurer Responsibilities**

- Follow the approved Budget
- Keep the financial records
- Account for all income and expenditures
- Follow established accounting procedures
- Set aside enough time to train the person that follows behind you.

## ➤ **Treasurer's Notebook**

- Keep it current and full!
- Document anything important to pass down to the next Treasurer
- Create or revise Treasurer Duties Document to help guide the next Treasurer and include them in the notebook

## ➤ **Supporting Documentation**

- Receipts
- Copy of Deposits – checks & deposit receipts
- Copy of checks written
- Emails pertaining to income or expenditures
- Document unusual transactions; make note on deposit or check copy

## ➤ **Reconcile Bank Statements**

- Reconcile monthly; look for errors or unusual transactions on account(s)

# TREASURER REPORTS

- **Provide your Board with a detailed Treasurer's Report at each Board meeting**
  - Include detailed transactions, Income Statement, and a Balance Sheet
  - Monthly Report should be kept with the Board minutes and filed for record
- **Provide a Summary of the Treasurer's Report at each General Meeting**
  - Post on wall/door or place one on each table; provide opportunity for review
  - Each monthly report does not have to be voted on, but it should be noted that it will be "submitted for audit"

## Example for a General Meeting

### FINANCIAL REPORT FUTURE BUSINESS LEADERS OF AMERICA

#### Treasurer's Report December 18, 20\_\_

Balance on hand, December 4, 20__	\$ 781.25
Receipts Proceeds from bake sale	\$ 34.71
Collections from American Fund Raising Kits	\$ 3,495.50
Total Receipts	\$ 3,530.21
Total Funds Available	\$ 4,311.46
Expenditures Payment for fundraising kits	\$ 2,097.30
Supplies for Christmas project for elderly	14.40
Postage	2.00
Total Expenditures	\$ 2,113.70
Balance on hand, December 18, 20__	\$ 2,197.76

# FINANCIAL AUDIT

- Have your financial records audited after the close of your fiscal year by someone who is familiar with GAAP (General Accepted Accounting Principles). It is recommend your financial records be audited within 30 days of close of your fiscal year or as soon as banking records are available.
- This is an INFORMAL audit. You are not required to have a CPA or any Accounting professional audit your books. One option is to have a Treasurer and members from a neighboring club do the audit.
- An Audit Committee should consist of at least 3 people. The Federation has Audit Protocols available for those clubs who would benefit from additional guidelines.
- Keep detailed documentation for out of the ordinary transactions or records (i.e. If you have to refund or transfer money to a different account, make a note. During the audit, this will save valuable time so you're not trying to remember what happened months ago.)

# CHECK REQUEST

## Check Request forms are strongly recommended

- Any bills to be paid from the checking account should be submitted with a Check Request with receipts or invoices attached – DO NOT WRITE A CHECK WITHOUT THE PROPER CHECK REQUEST!
- This will also help in identifying fraudulent requests, especially by email
- This documentation is needed for the End of Year Audit
- The Federation Check Request for reference is shown here.



## Check Request

Federation of Texas A&M Mothers' Clubs

Date: \_\_\_\_\_ Requested by: \_\_\_\_\_  
Amount: \_\_\_\_\_ Office: \_\_\_\_\_

PAYEE: \_\_\_\_\_

ADDRESS: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Send Check to: Payee: ☐ Other: ☐

SPECIAL INSTRUCTIONS FOR OTHER: \_\_\_\_\_  
\_\_\_\_\_

For: Phone Calls \_\_\_\_\_  
Postage \_\_\_\_\_  
Copies \_\_\_\_\_  
Office Supplies \_\_\_\_\_  
Miscellaneous \_\_\_\_\_  
\_\_\_\_\_  
Total \_\_\_\_\_



Account Code

**\*\*Attach to this check request all invoices, cash tickets, statements, etc., relating to this expenditure.**

**NOTE: Sales tax on club business expenses will NOT be reimbursed!!**

For Treasurer's use only:

Check # \_\_\_\_\_  
Date Issued \_\_\_\_\_  
Category Charged to: \_\_\_\_\_

**SEND REQUEST TO:**  
Lisa McMillan, Treasurer  
2321 Caldwell Drive  
Bedford, TX 76021  
(817) 235-5762  
[Treasurer@AggieNetwork.com](mailto:Treasurer@AggieNetwork.com)



# DEPOSIT REQUEST

## Deposit Request forms are also strongly recommended

- Deposits can be tracked with a Deposit Request
- Include detail or copies of all checks
- This documentation is needed for the End of Year Audit



### Deposit Request

Federation of Texas A&M Mothers' Clubs

Date: \_\_\_\_\_ Requested by: \_\_\_\_\_  
Amount: \_\_\_\_\_ Office or Committee: \_\_\_\_\_  
Cash: \_\_\_\_\_  
Credit Card: \_\_\_\_\_  
Checks Total: \_\_\_\_\_  
Total Deposit: \_\_\_\_\_

or attach totalled spreadsheet

Check #	Who From	Amount
Total		

Account Code

Special Instructions: \_\_\_\_\_

For: \_\_\_\_\_

**\*\*Attach to this deposit request all information relating to this transaction.**

For Treasurer's use only:

Date Received:	
Date Deposited:	
Category Credited:	

SEND REQUEST TO:

Lisa McMillan, Treasurer  
2321 Caldwell Drive  
Bedford, TX 76021  
(817) 235-5762

[Treasurer@AggieNetwork.com](mailto:Treasurer@AggieNetwork.com)

# ONLINE BANKING

- Make sure your username and password are strong and not easily guessed. DO NOT use any variation of “password” for your password. Consider a “passphrase”.
- Make sure you turn on security features available in online banking. If you don’t know them, make an appointment with someone at your bank and have them show you. This is important! Dual authentication is recommended.
- With online banking comes great responsibility. You are responsible for the stewardship of the monies in that account. Make sure you do all you can to protect it! Ensure processes are documented so that Board is fully aware of what is allowed and what is not.
- Online banking scams net billions each year. Check this link for tips for protecting yourself from online banking fraud: <https://www.fdic.gov/consumers/assistance/protection/idtheft.html>

# PHISHING SCAMS

- Links Come in Emails - Don't click on them! This is how most viruses are transmitted.
- Spoofing -When an email address looks like it comes from an Officer in your Club
  - These are on the rise.
  - NEVER wire money or write a check based on an email without confirming the following:
    - Identity of the person requesting the money and verbal verification they indeed need you to write a check
    - Try to never wire money for any reason. If the need arises make sure you VERBALLY verify with your President, don't just read the email and send money. Scam artists are very good at fooling people.
    - Check Request has been submitted
    - Copy of the bill to be paid

**More information:** <https://www.sec.gov/reportspubs/investor-publications/investorpubsphishingtm.html>

# QUESTIONS?

For questions, please contact:

Tamra Walker '89

Federation Treasurer and District 3 Liaison 2019-2020

214-850-4473 (text only) \* [treasurer@aggienetwork.com](mailto:treasurer@aggienetwork.com)

**Thank you for attending the Federation Winter Workshops!**



**Thanks and Gig'em!**