

Chapter Treasurer's Handbook



The National Association of
Women in Construction

*Leading
Builders.*

***Building
Leaders.***

THIS HANDBOOK IS THE PROPERTY OF YOUR NAWIC CHAPTER.
PLEASE PASS ON TO THE APPROPRIATE PERSON WHEN YOUR TERM AS TREASURER IS OVER.

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NOTE: Anything in this handbook that is underlined and the color blue signifies that a link to a webpage or a page in this handbook has been created. Some webpage links may require login.

DISCLAIMER: All references and links to the NAWIC website locations in this Handbook are subject to change due to the continuous updating of the NAWIC website. All Articles, Section and Policy references noted in this Handbook are from the NAWIC Operations Manual and are subject to change due to the continuous updating of the NAWIC Operations Manual, which can be found on the NAWIC website.

DISCLAIMER: *This handbook can only offer general guidance. If there are specific questions or problems, you may need to seek professional assistance from an accountant or tax advisor in your area.*

General Information

The responsibility for administration of the Chapter's finances is shared by all Chapter Officers and Directors. The day to day record keeping, collection and disbursement of funds and monthly reporting is the responsibility of the Chapter Treasurer.

Does Our Treasurer Need To Be A CPA??

As Treasurer, it is not necessary to be an accountant; however it is necessary for you to have a working knowledge of bookkeeping procedures. Your Chapter's recordkeeping may be quite simple or very elaborate, as determined by chapter need and desire. If you select an extremely elaborate system, you may be limiting the

- Chapter Treasurer does not need to be an accountant.
- Keep the bookkeeping system simple for the needs of your Chapter – this allows for more leaders to step into this position.
- This is a great position to learn about budgets and bookkeeping principles which can help for career opportunities!

number of members who will be willing to assume the responsibility of this office. Most Chapters have a system in place already. If your Chapter has had difficulty in recruiting treasurers, you may want to review the system. Is it too complex? The most important thing to remember is the numbers must balance and all information which may be requested should be easily accessible.

Only your Chapter can decide what's best for it. What works for one Chapter, might not work for another, so this handbook will not mandate that you use any one system. Rather, it is intended to be a very general guide for Treasurers – in particular those not overly familiar with bookkeeping procedures.

The Chapter Board as a whole will review the budget and any other items brought to their attention and make decisions on the same. The Board will also designate the bank(s) where their account(s) will be maintained and the third (3rd) person designated with the authority to sign checks. The Bylaws require that the President and the Treasurer are designated signers. A third authorized person (appointed by the Board) is necessary in the event one or the other of the aforementioned is unavailable or unable to sign checks (due to absence or illness) or the check is payable to either the President or Treasurer.

The Treasurer is responsible for preparing monthly reports. All reports should be distributed at the Board meeting and available for distribution to members only at regular Chapter meetings. Reports should not be read aloud, rather, they should be printed and made available for distribution. (Reports may be mailed and/or emailed to members upon request.) *However, at no time should the Treasurer's reports be printed in the Chapter's monthly newsletter, bulletin or website.* All financial information is considered to be confidential and should

be given to members only. When the reports are distributed at the monthly meeting, the Treasurer should address any questions and make any corrections necessary and would then move to refer the report (or file the report) for audit. If the Chapter has an Audit Committee, the Chapter President would simply state, "The Treasurer's report is filed for Audit" and no further action is required of the Treasurer (no motion is needed).

Many Chapter Treasurers have the mistaken notion that they are responsible for the auditing of the financial records at year's end. The Audit Committee is appointed by the outgoing Chapter President and should not include the Treasurer. The purpose of an audit is to verify the correctness of financial data and it is highly irregular (and unethical) for a Treasurer to audit her own records. The Audit Committee should consist of at least two members (it is better to have three members). The audit should be conducted within 30 days after the close of the NAWIC year or after receipt of the final bank statement for the NAWIC year and before the financial records transfer to the next treasurer.

Budgets are proposed by the Finance Committee, which should consist of the incoming and outgoing Treasurers and Presidents (and any others deemed necessary by the Chapter). Budgets should be prepared carefully and should realistically reflect anticipated income and expenses, based on previous years' experiences. Proposed budgets are presented to the Board for approval and the Board would then notify the membership that the budget has been approved and is available for review. Some Chapters may wish to designate a certain amount to a "contingency account," for unbudgeted expenses, which allows the Board some discretionary spending authority. Budget worksheets, comparisons, etc. should be

retained by the current Treasurer who will serve as a member of the Finance Committee, and will respond to questions at the time the budget is presented and any that may arise later.

All Chapter records should be maintained for a period of not less than seven years (see list of retention items located in the back of this handbook). You may keep them as long as you like, space permitting. All tax returns and IRS documents should be kept according to the NAWIC Record Retention Policy which is available on [page 43-44](#) and online at <http://www.NAWIC.org> > [Member Center > Chapters > Sarbanes Oxley](#) > Record Retention/Document Destruction Policy (login required).

Also remember that although it is a very important job, serving as Treasurer need not be a burdensome or time consuming one, if all Chapter members cooperate. Cooperation and a clear and concise record keeping system can make the job of Treasurer easier - and one that any member would be willing to accept and proud to have held!!

Your NAWIC Treasurer, NAWIC Executive Director and NAWIC Region Director are all likely sources of help when and if problems arise. Use them!

Duties of the Treasurer

1. Record electronic ACH payments of members' chapter dues from the NAWIC Office.
2. Pay all bills authorized by the Board of Directors.
3. One of three (3) Officers authorized to sign all checks.
4. Prepare a written Treasurer's Report each month for the Board meetings and available for distribution at the regular Chapter meetings. A copy of the latest bank statement, with the account number removed, should be attached to the monthly Treasurer's Report for review by the Board or at least by the Chapter President. The Chapter's financial information is for the **members only** and should not be distributed to non-members. Do not publish it in the Chapter newsletter, bulletin or website unless there is a secured member log-in.
5. Keep itemized accounts of all receipts and disbursements.
6. Check the monthly bank statement and balance with the books. Monthly review all outstanding checks.
7. Close books at the end of the fiscal year and prepare a Financial Statement.
8. Deliver records to your successor within thirty (30) days following the expiration of your term of office or after the audit whichever is earlier.
9. In accordance with the Standard

Bylaws for Affiliated Chapters, Article XI - Duties of Officers, Section 1, it is the responsibility of the President to make sure that all appropriate tax forms with the IRS for the fiscal year are prepared and filed in a timely

manner. You will want to help in that preparation and send copies to the current Chapter President, and certification of filing to the NAWIC Executive Director and your Region's Director.

10. Keep your contact information current with the NAWIC Office.
11. Serve as a member of the Chapter's Finance Committee.

Chapter Treasurer Is One of the Best Positions to hold! WHY?

Most of your work, unlike the President or Secretary, can be done away from the commotion of a Board or Chapter meeting at your own convenience with a minimal amount of time.

This is an extremely important and responsible position. **YOU ARE THE CUSTODIAN OF THE CHAPTER FUNDS!**

One of the most important things you should keep in mind is that if, for any reason; i.e., workload, family, etc., you are unable to perform the duties of this office, you should speak up immediately. There is more shame in holding on to the position and not performing than giving it up when you find you can't do it.

Chapter Income

Membership classifications are set forth in the Standard Bylaws for Affiliated Chapters, ARTICLE IV, Section 1, and are to be referred to prior to completion of a Membership Application. Please refer to the NAWIC Operations Manual online at <http://www.NAWIC.org> > [Member Center](#) > [Board of Directors](#) > [Operations Manual](#) (login required).

Dues Collection and Remittal Procedures

Please destroy any old membership application forms that you have. Only new membership applications should be used at this time. Current printable NAWIC membership applications are online at <http://www.NAWIC.org> > [Membership](#) > [Printable Membership Application](#). New members may also apply for membership online at <https://www.NAWIC.org> > [Membership](#) > [Online Membership Application](#).

A new member will send their application directly to the NAWIC Office, at which time their membership eligibility will be determined as stated in the guidelines of the Operations Manual. The following is the procedure that the NAWIC Office will follow for collecting, processing and remitting dues to Chapters for renewing members and new members.

Renewals

1. Renewal invoices will be emailed to all members with an email address by the end of July. Those without a valid email address will receive their renewal via USPS by mid-August. If someone has not received their renewal by this time, please have them or the membership chair contact the NAWIC Office at (800) 552-3506.

Renewals are sent to the address on file (via email or United States Postal Service) with the NAWIC Office as of July 1. Chapters should survey your chapter to make sure all members have received their renewal.

2. Renewals dues must be received in the NAWIC Office by October 1. A late fee will apply for all renewals received in the NAWIC Office after October 1. Members are to make their check payable to NAWIC.
3. Upon receipt of a renewal, the NAWIC bookkeeping department posts all payment information on each renewal and the amount paid is verified to the amount owed. If there is no discrepancy between amount paid and amount owed, the money is deposited and the renewal is forwarded to the NAWIC Membership Coordinator.
4. The NAWIC Membership Coordinator enters the renewal into the database system.

New Member Applications

1. Upon receipt of New Member applications, the Executive Director will review each application for membership eligibility, completeness of the form and amount owed compared to the amount remitted. If the applicant is eligible for membership and the application is complete, the application will go to procedure #2. If the eligibility of a potential member is in question, it will be taken to the NAWIC Executive Committee who makes the final determination. If the application is

- incomplete and cannot be processed the applicant will be notified and asked to complete the application.
2. The application and remittance is returned to the NAWIC bookkeeping department to be deposited.
 3. The NAWIC Membership Coordinator will enter the application. The join date will be the 1st day of the month in which the NAWIC Office processed the application.
 4. The NAWIC Membership Coordinator will let the NAWIC Region Director, Chapter President and Membership Chair of each chapter know who the new members are via email no later than the following week after processing.
3. Chapter electronic ACH payments are issued for chapter dues on the 15th and 30th of each month.
 4. When an electronic ACH payment is processed, an email notification will be sent to Chapter Treasurers. This will also include a renewal report. Be sure to communicate the renewal report with your President and Membership Chair, so they are also aware of who has renewed.
 5. The 2-payment plan for National Dues creates a trickle-down effect to the Chapters. Rather than the Chapter receiving the Chapter Dues in one lump sum, they will receive Chapter Dues from the 2-payment plan as each payment is received, following the schedule in Item 3.

Dues Remittance to Chapter

1. After the data on each member has been entered, the NAWIC Membership Department generates a treasurer's report that shows how much each member has paid for National dues and Chapter dues. Once a member has been processed for the year they will not show up on another dues report. You may call the NAWIC Office Membership Department for a complete chapter roster or combine all dues reports for a total membership count. Another great way to check your membership is to go to <http://www.NAWIC.org> > [Member Center](#) > [Members](#) > [Member Directory](#) (login required), select your chapter name from the drop down, at the bottom next to "Output" click "Excel" or "Word" and click "Search" button.
2. The NAWIC Membership Coordinator and the NAWIC Bookkeeper reconcile their records to ensure accurate processing. This means all funds and renewals received for each renewed member are accounted for.

IMPORTANT REMINDER: To make sure that the above procedures run smoothly, we ask that each chapter adhere to the deadlines for submitting Chapter Dues and Chapter Leadership Updates as well as current bank account information for ACH payments. Remember notifications are emailed to the incoming Treasurer (person who takes office October 1st) or can be downloaded by clicking the link on the next page. If for some reason your Treasurer or their email address changes, please notify the NAWIC Office as soon as possible so that these notifications go to the appropriate person.

The Chapter Dues Update and Chapter Leadership Update forms can be found at <http://www.NAWIC.org> > [Member Center](#) > [Chapters](#) > [Chapter & Member Forms](#) > under "Chapter & Membership Department" heading (login required).

The ACH Credit Payment Authorization form can be found on [page 35](#).

Thank you for your help with these details. As always, if you have any questions please feel

free to call the NAWIC Office at (800) 552-3506.

Transfer of Membership

Reference: Operations Manual Section C, Affiliated Chapter Bylaws, Article IV - Membership, Section 2, Transfer of Membership and Section F, Transfer of Membership.

1. The Chapter Treasurer, as well as the NAWIC Treasurer and the NAWIC Office, should be notified of any transfers "in" or "out" of the chapter.
2. Upon receipt of an invoice from the National Office, the member's former chapter Treasurer will forward the prorated chapter dues to the National office to be dispersed to the member's new chapter.
3. No fees or dues are to be collected from members transferring into a chapter until that member's next renewal date.
4. For credentials, the transferring member will be counted in the chapter to which she transferred.

The Transfer of Membership Form should be completed by the Member's Former Chapter Treasurer. The form is available on [page 41](#). General Bookkeeping Notes

General Bookkeeping Notes

Each Chapter should decide if it wants more than one bank account. A banking account could be set up for money that will not be needed for the current year or an account for special funds, such as scholarship or a Chapter construction project. (Keep a special events account

with minimum balance if needed.)

October 1st marks the beginning of the NAWIC fiscal year. Be certain that all expense accounts start with a zero balance. At the end of the year, all accounts are closed in the General Ledger or Summary of Accounts (if used) by debiting all credit accounts and crediting all debit accounts. Transfer the debit or credit balance to the net worth account. If you have received more money that you spent, you will have a credit balance, which, added to the last year's total, will give you the net worth. If you spend more money than you receive, you will have a debit balance and would subtract the balance from the net worth. Net Worth for most chapters will be the bank balance or balances if the Chapter has more than one account.

All dues will be received from the NAWIC Office via electronic ACH Payment and a record kept of members whose dues were paid.

Collection of receipts at meetings and events should be done by two members, and one can be the Treasurer. This allows for a separation of duties and protects the Chapter's funds. Cash and checks should be collected and recorded on a spreadsheet/list that contains the members' names, amount, and form of payment. This will be reconciled, by the Treasurer, to the deposit going to the bank. Payments by credit card should also be noted on the list to be reconciled against PayPal, Square, etc. A copy of the list should be kept by the attendance chair in case a discrepancy is noted during audit.

Record each receipt separately and each cash disbursement separately. At the end of the month, total all columns and make a recap of the column if more than one account has been posted in the column. Run a tape on the end-of-the-month balances, adding all debits and subtracting all credits. A zero balance should prove that you made no errors.

Transfer the monthly totals to the General Ledger in the appropriate column and bring forth the year-to-date total. Make a trial balance of your General Ledger by adding all debits and subtracting all credits; your balance should be zero.

Books should be set up using a chart of accounts. A Chart of Accounts example is available on [page 37](#). Variations to reflect different Chapter activities can be made by adjusting the account names and numbers. This method will record all income and expense with the difference being in the bank account, which is the net worth of the chapter, or the amount of the general fund.

Rule of Thumb: All income is a debit to the bank and a credit to an income account. All disbursements are a credit to the bank and a debit to an expense account.

We suggest that all income and expense ledger sheets show the budgeted figure at the top of the page so that the records show at any given time how close a margin the chapter is operating under.

Both the journals and the General Ledger could be contained in one book. For easy storage, the checkbook should be approximately the same size. The Treasurer should also have a receipt book so she can provide receipts to members who need them. These are very inexpensive and can be purchased at any stationery store.

The figures in the General Ledger or Summary of Accounts should give you all the information needed for the filing of the tax returns. These are the yearly totals. Also, figures are readily available for your monthly financial reports to your chapter. Keep one copy of the monthly balance sheet (financial report) with the General Ledger. Posting mark to indicate that monthly total has been posted to the General Ledger.

The Chapter may want to invest in an accounting program such as Quick Books but it is not required.

Hint: A very simple way of keeping the Chapter financial records which will help to the Audit Committee is to attach to the monthly Treasurer's Report, the Bank Reconciliation, Statement, Deposit Slips, Checks and Paid Bills. Make a folder or a notebook with tabs for each month to keep all notes, transactions, etc., that pertains to that *month in one place*.

Expense Reimbursement Policy

NAWIC has an account plan for reimbursement of expenses per Internal Revenue Service (IRS) regulations. Chapter members will be reimbursed for expenses incurred on behalf of the Chapter that are approved by the Chapter Board of Directors. Detailed accounting records must be kept to substantiate such reimbursements. The IRS requires that the following documentation be provided when requesting reimbursement.

Expense Reimbursement Request:

1. Chapter members will be reimbursed for expenses incurred on behalf of the Chapter that are approved by the Chapter Board of Directors.
2. A check request form or other request for reimbursement will be filled out and signed by the member with all itemized receipts attached.
3. All receipts should be detailed indicating line items ordered or purchased, not just the totals. Credit card statements are not considered sufficient documentation.

All expense reimbursements should be paid as soon as possible after Chapter Board approval.

An Expense Reimbursement form is available on [page 40](#).

The Chapter Budget

A Chapter Budget is essential as it states what the Chapter wants to achieve and the means by which it will be achieved.

BE REALISTIC. What will your renewal membership be? How many new members do you hope to recruit this year? Are surplus funds earmarked for specific purposes? If your Chapter designated \$500 from last year's surplus to send delegates to Annual Conference (AC), that amount would show in your budget in the "Income" portion and as Annual Conference (AC) expense

\$500 in the "Expense" portion. If there was no designated source of surplus funds, they should not be listed on this year's budget, but would remain in a General Fund until such time as a determination was made as to how the money will be spent. Utilize a budget worksheet so you have a permanent record of how the budget was derived and have answers at your fingertips during the Board approval or member review process. **CONTRARY** to what you have heard, the Internal Revenue Service does not say you cannot accumulate Reserve funds as a non-profit organization, for furtherance of our goals or to provide educational benefits for members.

The following list may aid in preparing the budget. Remember that each Chapter is different and may have other committees and expenses than those mentioned below. Utilize the Budget Request form for

committees on [page 36](#).

1. Allow for Director's expense if you plan for her to visit your Chapter. If your Region has a Regional Fund, remember to budget your Chapter's contribution.
2. Allow for Annual Conference (AC) expense for your representative(s). Chapters are required by our Bylaws to be represented at Annual Conference (AC). Many Chapters budget a specific amount for the President and representative(s) to attend. Research online for realistic air fares and other covered expenses.
3. Plan for a portion of Forum and Fall Conference expenses for the President to attend and any other members that your Chapter may allow for.
4. Membership promotion should be among your largest line items. The Membership Committee should have funds to allow for inviting guests, membership promotion drives and literature. This is one area that is very important to your Chapter's future. Please provide them ample funds.
5. Make sure the budget funds for the Professional Development and Education Committee (PD&E) includes speakers' fees (including paying for dinner) in addition to your community projects. Without interesting programs/projects you can't hope to retain and/or attract new members.
6. The Bulletin/Newsletter will help to keep those members unable to attend a meeting fully informed. Everyone wants to feel wanted (and missed). Allow for printing and postage if they do not have an e-mail address.
7. Don't forget to budget for any NAWIC pins (Past President) given at the end of the year or that may be needed for installation.
8. Committee expenses, general

administrative expenses and hospitality are often not "big ticket" items since many members (or their firms) absorb the expense for phone calls or postage. Be sure to include something for these items in your budget. All members may not be in a position to absorb these expenses and you don't want to exclude a talented member from volunteering because she can't afford these costs.

9. The Chapter dues structure should cover the operating/general administrative expenses such as phone, postage, post office box, chapter website, storage unit, newsletter, happiness/friendship, and insurance (D&O and/or other liability insurance necessary) to name a few.
10. Committees like Ways and Means, Executive/Industry Appreciation, and Scholarship are self-supporting committees in that the revenue brought in for that committee should cover their expenses.
11. Special events require certificates of insurance. Certain special events (i.e. Block Kids, Casino Nights) are assessed a premium, which is the Chapter's responsibility. Please refer to the Special Events Insurance Specifications & Waiver Form for details on what types of events will incur fees and is available at <http://www.NAWIC.org> > [Member Center](#) > [Chapter](#) > [Chapter & Membership Forms](#) > [Special Event Insurance](#) (login required).
12. Check with the incoming President for any special projects she has planned for the year that will require funding.

When preparing a budget it is suggested you use a budget worksheet and make notations as to why adjustments from the previous year(s) were made. Also note any special circumstances that may affect expenditures during the current year. The worksheet should become a part of your financial records for that year. Figure all

budgets realistically. If you find you have more expenses than you do projected income, cut your budget. Delete a planned expenditure or reduce several expenditures by a proportionate amount. Your "prior year" figures should reflect actual totals from the previous year.

The difference between dues income and miscellaneous income and expenses is the amount that will have to be raised by special projects or come from the surplus fund account. There must be enough income from the members and programs related to construction to cover a majority (more than 50%) of your expenses to operate your chapter. Income from an event not related to NAWIC's IRS exemption purpose cannot be the majority of funding for your Chapter's expenses. *A Chapter Budget vs. Actual analysis spreadsheet is available for download online at <http://www.NAWIC.org> > [Member Center](#) > [Chapters](#) > [Chapter Officer Tools](#) > under "Chapter Treasurer" heading (login required) to evaluate your budget if you are in doubt.*

Review your budget at mid-year to determine if any adjustments are necessary. The Chapter Board approves any revisions.

With the final Treasurer's Report for the year, submit a report listing any recommendations that should be made on financial matters of the chapter or any comments on expenditures. For instance, if your chapter has consistently run over budget, perhaps the dues structures should be changed. This way, your recommendations become a part of the chapter's permanent records.

Prepare a year-end Financial Statement for the Chapter and if you have any designated funds they would appear as a separate line item; i.e., RESTRICTED FUNDS: Director's Fund and/or Regional Fund Contribution \$500.

Work closely with the new Treasurer if she desires your help. Communication is the key to a successful transition.

Chapter financial information is provided to Chapter members only. Reports should be distributed at Board meetings and available upon request at regular monthly meetings. Reports should NOT be included in Chapter bulletin, newsletter, or website (unless there is a secure member login).

Audit Procedures

The audit of a Chapter's accounting records must be held annually at a minimum (a Chapter could elect to do it more often). The outgoing Treasurer is responsible for bringing to be audited all bookkeeping records including check register, invoices and reimbursement vouchers, deposit details, monthly detail general ledgers or detail spreadsheets and summary of accounts, monthly financial statements, reconciled bank statements and budget vs. actual reports.

The Audit Committee shall be composed of at least 2 members (it is better to have 3 members) appointed by the Outgoing Chapter President. The Audit Committee will perform the following steps:

1. Using the check register, one check for each month will be chosen at random.
 - a. The copy of the canceled check will be traced to the bank statement and the payee and amount will be verified against the Check Register.
 - b. Verify that the payee and endorsement are consistent.
 - c. Review the invoice or reimbursement voucher supporting the payment, verify the payee, assure that all appropriate receipts are attached and that the item is marked paid with the correct check number.
 - d. Verify that the check has been

properly expensed in the general ledger or summary of accounts.

2. Using the General Ledger or summary of accounts, one cash receipt for each month will be chosen at random.
 - a. The deposit detail will be reviewed for the correct amount and compared to the bank statement.
 - b. Verify that the voucher is appropriately detailed.
 - c. Verify that the income has been properly recorded in the general ledger or summary of accounts.
3. Two bank statements will be chosen at random.
 - a. The reconciliation will be reviewed for accuracy, assuring that all checks shown as outstanding have not cleared on that month's statement and that any deposits shown in transit promptly appear on the following month's statement.
 - b.
 - c. **The budget should also be reviewed** for any overage/shortage in either income or expense. At the request of Committee Members, the Treasurer will provide detailed information about the contents of any such overage/shortage from supporting vouchers or other such detail as may be contained in the records.

WHEN THIS COMMITTEE HAS FINISHED AUDITING, a written statement should be prepared and sent to the Chapter President with a copy retained in the Treasurer's files. It might say, "The Audit Committee has studied the Chapter records for fiscal year _____ and found them to be in good order." You might then make whatever recommendations necessary for the future of the Chapter. In addition, an oral report on the findings of the Audit Committee shall be given at the next board meeting following the audit so it appears in the Board minutes.

This is a perfect time for the Outgoing Chapter President to have Form 990 prepared. This audit should be performed within thirty (30) days after the close of the NAWIC year and before the financial records

transfer to the next Treasurer.

NOTE: Once the 990 has been filed, Keep a copy of the filing receipt with the Chapter records.

NOTE: The **Audit Committee** is appointed by the Outgoing Chapter President, NOT the Treasurer. The outgoing treasurer is not a member of the audit committee since her books are being audited. She should be available to answer any questions.

IRS Compliance

Non-profit organizations are not automatically exempt from the payment of federal income taxes just because they operate on a non-profit basis and do not distribute earnings to members. NAWIC filed an exemption application and submitted all documentation required by law, i.e.: Articles of Incorporation, Bylaws, Bylaws for Affiliated Chapters, Standing Rules, Stated Objectives and Purpose, etc., resulting in a Letter of Determination from the IRS which granted Group Ruling under IRS Code, Section 501(C)(6). **Our Group Exemption Number is 1509.** For a copy of the determination letter, contact the Executive Vice-President at the NAWIC Office. This number must be used by all Chapters when (if) filing 990's (990N e- postcard, 990EZ's & 990T's).

Chapter Presidents shall protect the Chapter's non-profit status and are responsible for Internal Revenue Service Compliance for the year that they were President. If applicable, appropriate IRS Form 990N (e-postcard), 990 (990EZ) and/or 990T **must be filed by February 15** for the preceding year. All new NAWIC Chapters must file one of these forms for their first year of existence regardless of their status.

FAILURE TO COMPLY WITH IRS CODE CAN RESULT IN REVOCATION OF YOUR

CHAPTER'S GROUP EXEMPTION. If you do not file, you jeopardize your Chapter's tax exempt status. The IRS will automatically revoke the Chapter tax exempt status if a Chapter fails to file for 3 consecutive years.

As Chapter Treasurer, you will want to assist the President in completing her duties. If for some reason the Chapter President is not able to fulfill her duty of filing the appropriate tax form, the responsibility falls on the duty of the Chapter Treasurer. Similar forms for your state should be filed if required; i.e. if your chapter is incorporated or has a state tax identification number. Schedule this with your audit.

Another IRS requirement for all Chapters is filing an Application for Employer Identification Number, Form SS-4. Every established Chapter should have filed for and received this identification number. Only one number is issued to each Chapter and this number must be used when completing IRS forms. Each newly chartered Chapter must apply for an Employer Identification number within seven (7) days of their charter date. The [form and instructions](#) for completing can be obtained from your local IRS office or online at <https://www.irs.gov> > [Forms & Pubs](#) > under "Businesses" heading. **MOST ESTABLISHED CHAPTERS ALREADY HAVE COMPLIED WITH THIS REQUIREMENT. DO NOT REQUEST A NUMBER IF YOUR CHAPTER ALREADY HAS ONE.** This can cause confusion at the IRS.

Forms 990

A **tax-exempt organization** must file an annual information return or notice with the IRS, unless an exception applies. Annual information returns include Form 990, Form 990-EZ and Form 990-N (e-Postcard). Which form an organization must file generally depends on its financial activity, as indicated in the chart below.

Status	Form to File	Instructions
Gross receipts normally ≤\$50,000 Note: Organizations eligible to file the e-Postcard may choose to file a full return	990-N	N/A (see below for more information)
Gross receipts <\$200,000 and Total assets <\$500,000	990-EZ or 990	Instructions
Gross receipts > \$200,000 and Total assets > \$500,000	990	Instructions
Report Unrelated Business Income (see below for more information)	990-T	Instructions

E-Postcard 990N

Form 990N (e-Postcard) is an IRS electronically filed form for small tax-exempt organizations whose gross receipts are normally \$50,000 or less. An organization's gross receipts are considered to be \$50,000 or less if the organization:

- ❖ Has been in existence for 1 year or less and received, or donors have pledged to give, \$75,000 or less during the organization's first taxyear;
- ❖ Has been in existence between 1 and 3 years and averaged \$60,000 or less in gross receipts during each of its first 2 tax years; or
- ❖ Is at least 3 years old and averaged \$50,000 or less in gross receipts for

the immediate preceding 3 tax years (including the year for which calculations are being made).

- ❖ The form must be completed and filed electronically. There is no paper form. Go to [Form 990-N Electronic Filing System \(e-postcard\)](#).

To complete the e-Postcard, you will need the following eight items:

1. Employer identification number (EIN), also known as a Taxpayer Identification Number (TIN).
2. Tax year (10/01/____ - 09/30/____).
3. Legal name and mailing address.
4. Any other names the organization uses.
5. Name and address of a principal officer (Chapter President of the year being filed).
6. Website address if the organization has one.
7. Confirmation that the organization's annual gross receipts are normally \$50,000 or less.
8. If applicable, a statement that the organization has terminated or is terminating (going out of business).

Unrelated Business Income

In the case of Unrelated Business Income, the main item subject to tax is advertising and it must be more than \$1,000 after expenses are accounted for and expenses can also include the cost of volunteer's time. Very few Chapters will fall under this category. Unrelated business income tax does not relate to fashion shows etc. because they are only held occasionally.

To pay unrelated business income tax, the Chapter must engage in the event on a regular basis (i.e. monthly). It does not matter what the Chapter uses it for. If anyone has any questions, they need to take the specific item to an accountant for evaluation.

Your NAWIC Treasurer, Executive Director and Region Director can only offer general guidance. If there are specific questions or problems, you may need to seek professional assistance from an accountant or tax advisor in your area.

Additional Form 990 resources and tools can be found online at <https://www.irs.gov/charities-non-profits/form-990-resources-and-tools>.

Form 1099 – Have We Been Doing This?

A concern has been expressed that numerous non-profit organizations are not complying with the "Information Source" rules that require the reporting of money and prizes. For example: A non-profit organization, in an attempt to generate operating revenue, holds a raffle with the top three prizes being a car, 30-inch screen television and \$2,000 in cash. All remaining prizes are valued at less than \$600.

IRC Section 6041 requires [Form 1099](#) be furnished to recipients of the prizes and [Form 1096](#) with attachments be filed with the Internal Revenue Service. Failure to comply with these requirements subjects the organizations with penalties under IRC 6721, Failure to File Information Return, and IRC 6722, Failure to Furnish Information Return, at a rate of \$50 for each failure. In addition, under the provisions of IRC 3046 regarding the backup withholding rules, the organization could be liable for tax withholding at a rate of 28% of the value of the prizes or 28% of the cash disbursed where the amount of value of the prize exceeds \$600

In addition a 1099 form must be submitted to the IRS for any payment(s) going over \$600 (one-time or cumulative in a calendar year) to any person or business that is not a corporation which would be determined by their [W-9](#) form. If they are a corporation then you don't need to submit a 1099 form to the IRS. It is still a good idea to obtain a W-9 from corporation(s) to keep on file. Please note: If the "Limited Liability Company" is checked and "P" for Partnership is listed than you would issue a 1099 because their "tax classification" isn't a corporation.

Form 1096 is a transmittal form to be used to send Form 1099 to the IRS. The forms can be ordered from your local IRS office or order the forms online at <https://www.irs.gov/uac/forms-and-publications-by-u-s-mail>.

For more information and instructions to complete the 1099-Misc is available online at <https://www.irs.gov > Forms & Pubs >> under "Businesses" heading.

From a Legal Point of View

Tax Questions

What is NAWIC's Tax Status, and What Does It Mean?

NAWIC qualifies under IRC §501(c)(6) as a Business League exempt from paying federal income tax. This means that NAWIC does not have to pay income tax on the money it takes in from its exempt purpose, such as dues and Annual Conference (AC) income.

What does it mean to be tax-exempt?

1. Most organizations become incorporated under their states' nonprofit, corporate laws. They are known as "nonprofit" or "not for profit" corporations. There is a common misconception that this means they are tax-exempt. Nonprofit organizations are not automatically exempt from paying taxes. The tests for becoming exempt from Federal income taxes are set out in 26 U.S.C. §501. There are over 20 different categories set out in §501(c) of reasons an organization can be deemed "tax-exempt." To qualify for recognition as a tax-exempt entity, the organization must properly apply to the Treasury Department for, and subsequently receive, a "Determination Letter," indicating the IRS's "determination" of the organization as exempt.
2. §501(c)(6) allows tax exempt status for the kind of group which is "an association of persons with some common business interest, the purpose of which association is to promote such common interest and not to engage in a regular business of a kind of ordinarily carried on for profit." NAWIC's specific exempt purpose is set out in its "Object." The NAWIC national association applied for and received proper exempt status for itself and all

affiliated Chapters which agreed to abide by NAWIC's Bylaws and methods of doing business (to preserve the exemption). **To ensure continued good standing under §501(c)(6) as tax exempt, NAWIC must retain the power to control, examine, and supervise all chartered chapters, to ensure that they are not violating the IRS requirements.**

What are the benefits of §501(c)(6) status?

1. On NAWIC itself: To make its own income non-taxable. Any income received by the exempt business league (NAWIC) which is "substantially related" to the carrying on of the purpose for which the Association got its tax-exempt status, is not taxable to the organization under the Federal Income Tax Code. Note, however, that the income producing activities themselves (not just the need for the income raised) must in some way further the organization's goals. Examples: membership dues, convention income, trade show proceeds, dictionary proceeds, tuition for construction classes taught, honorariums earned by members and then donated to the NAWIC organization. Examples of non-exempt income: sales of goods, advertising, credit card rebates, most "ways and means" projects. As will be explained below, not only is the unrelated income taxed, but if a disproportionate amount of the time of NAWIC's members is spent earning it, it could jeopardize the entire tax-exempt status.
2. On the individual Contributor to NAWIC:
 - a. Generally, no effect. A member of the construction industry who pays dues money to NAWIC as part of her ongoing business education, etc. may be able to deduct those expenditures from her federal income tax as a "business expense".
 - b. Any other individuals or business paying money to NAWIC will not be able to claim a deduction from her, his or its income for those amounts under §501(c)(3). (They

can, of course, claim them as business deductions, if appropriate.) Payments to NAWIC are not considered charitable contributions.

What limitations are imposed on NAWIC because of its §501(c)(6) status?

1. NAWIC must be careful how it spends its money. Any expenditure of NAWIC or NAWIC chapter funds for the “benefit” of any member will jeopardize the §501(c)(6) status of the organization. A member is held to “benefit” from a payment if the payment relieves the member of a financial obligation she otherwise would have. This broad definition clearly includes paying the tuition of a member’s child (in the form of a scholarship), and may encompass payments to a relative or close friend of a member. Therefore, NAWIC policy requires that no scholarship, grant or other financial support may be given to any NAWIC member, or member of the immediate family of a member. (Member of immediate family shall mean child, brother, sister or parent, or spouse of any of them.) [NOTE, though, that this policy does not prohibit individual Chapters from using funds for legitimate Chapter purposes, such as reimbursing members for Chapter expenses, which could include asking members to attend meetings, at the Chapters’ expense, for the Chapters’ benefit. This requires the representative to give a formal report in writing of the meeting attended for the benefit of all the other members. See Standing Rule #4 of Affiliated Chapters)] Also, please refer to NAWIC Founders Scholarship Foundation (NFSF) for scholarship opportunities that NAWIC members may apply for based on the Foundation’s status as a separate §509 (a)(3) Trust.
2. NAWIC has to be careful about the types of programs it operates. It is limited to projects which are “Substantially Related to [its] Tax Exempt Purpose.” This means that to retain tax exempt status, the overall income generated by NAWIC must be

“substantially” related to the purpose for which it received its exemption. What amounts to a “substantial” relation is not specifically defined in the law. In published cases, the types of organizations which have suffered under this limitation are the ones which receive 50% or more of their revenue from public, non-member activities and purchases. (See Revenues, 2(b)-(c)). However, there is no safe harbor “minimum.”

- 3 NAWIC, its Chapters and Region/Directors Funds must make sure they file all appropriate Form 990’s. Form 990, Form 990 EZ, and the Form 990-N, also known as the e-Postcard are forms used by §501(c)(6) organizations to report income and tax exemption to the IRS. Failure to file this informational return may jeopardize the organization’s exempt status.

Where NAWIC’s Revenues Comes From

The IRS has developed specific rules about what kind of activities tax-exempt organizations may perform. Their purpose is to encourage organizations to concentrate on performing the worthwhile services for which they were granted tax- exempt status, and to discourage them from going into profit-making, competitive business.

Where Money Can Come From

1. Generally, from activities related to the exempt purpose. The IRS grants an organization §501(c)(6) status specifically to aid and promote the organization’s exempt purposes. Clearly then, revenue raised by activity directly related to that purpose (and not purely for profit) will be tax exempt. Included in this would be

membership dues, trade show revenues, Annual Conference (AC) income, dictionary proceeds, and tuition from construction classes taught.

2. Exception: Income Received from Members. Members can pay their own money to the Chapter, for nearly any purpose they want. If, in lieu of specific dues, members cover their Chapter's expenses through purchases at bake sales, car washes, or other unrelated activities, to the IRS this revenue merely displaces or reduces the amount of membership dues needed to operate a Chapter. This is allowed because the members are covering their own Chapter expenses either way. Using "ways and means" projects, they are merely shifting the burden among the members of the group. **Still, though, none of the funds may be used for the particular benefit of any one member as this would violate NAWIC's §501(c)(6) exempt status.**

3. Caution: Separation of Funds. Prudence and caution may require that all non-member income be kept separate from the general NAWIC or Chapter funds. If the funds are raised through non-exempt activities, and are substantial, public, potentially profitable and regular, the Chapter may have to pay income tax on these activities as unrelated business income. The Chapter cannot report to the IRS whether it actually realized any income to pay tax on unless it keeps separate books on the activities.

Where Money Cannot Come From

1. Too Much Unrelated Business Income: Revenue derived from activities which do not contribute to the accomplishment of the Chapters' objectives and purposes (other than to provide money) may be treated as "unrelated business income" and, therefore taxable absent an exception.
2. Definition: What is unrelated business income? When an organization applies for tax-exempt status with the IRS, it must state its purposes. Only if those purposes are deemed worthy of exempt status under IRS regulations will the exemption be granted. IRS isn't interested in encouraging tax exempt organizations to spend time on non-exempt activities, so it discourages them by taxing those, which are called "Unrelated Business Income". The tax on them is known as the "UBIT" (Unrelated Business Income Tax). "Unrelated Business Income" is defined as: (i) income from trade or business; (ii) which is regularly carried on by the organization; and (iii) is not substantially related to the organization's performance of its tax exempt functions. I.R.C. Reg. §1.513- 1(a). However, "income producing or fundraising activities lasting only a short period of time will not ordinarily be treated as regularly carried on, if they recur only occasionally or sporadically", I.R.S. Reg, §1.513- 1(c)(iii).
3. When is Unrelated Business Income Not Taxed? While the IRS does not want to encourage organizations to generate a lot of unrelated business income, it does not necessarily tax all of it. The tax regulations specifically exempt the following unrelated business incomes:
 - a. The first \$1,000 of unrelated

be kept separate and be used for non-member purposes, such as grants, scholarships or community projects.

Where Money Can and Cannot Be Spent?

- business income (§501) (b) (12).
 - b. Income from a business in which substantially all the work is performed without compensation (§513) (a) (1)).
 - c. Income from a convention (i.e.: AC) or trade show (§513) (d) (1)).
 - d. Bingo not carried out on a commercial basis and not in violation of state/local law (§513) (f).
 - e. Dividends, interest, royalties, rent from real property and other “passive” income (§513) (b) (1)-(3).
4. Limits on amount of non-taxable unrelated business income: Unrelated business income, whether generally taxed or not, and regardless of what it is used for, will nonetheless jeopardize an organization’s tax-exempt status when it reaches the point of being “substantial” and “regular”. The cut-off between “substantial” and insubstantial amounts of unrelated business income generally falls at the 30-50% mark though there is no bright line.
 5. Segregation of Funds: Once it is determined that an organization has an unrelated trade or business, then the gross income from such trade or business must be segregated from general organization funds, along with relevant deductions. If an organization has more than one unrelated trade or business, all gross income and deductions among the unrelated business can be aggregated.
 6. Related Business Income: Even if the income comes from an approved activity (i.e., publishing a construction book), it may still be prohibited if the profit is so great that the members no longer have to support their own expenses. To avoid such a problem (which could result in losing tax exempt status altogether), such income should
1. Only money raised from members can be used for operating expenses: Income received from non-members should not be used for operating expenses to any “significant” extent. Isolated ways and means which raise a small portion of the overall operating budget are not a problem. Contributions toward the Chapter budget to defray costs of newsletters postage and committee functions are not encouraged because these are the kind of expenditures members are supposed to pay themselves. (This means contributions AFTER they exceed the cost of the newsletter.) The organizations which regularly and intentionally utilize public, non-member funds to subsidize their own private purposes by keeping their dues down are the entities the IRS is concerned about.
 2. None of it can be used to “benefit” individual members: §501(c)(6) organizations are prohibited from allowing their income to inure (work) to the benefit of individual members. Thus, revenue which generally comes to the tax exempt organization from non-members has been ruled to benefit members since it permits the club to assess lower dues than would otherwise be required to support the club’s facilities and operations. Nevertheless, this “benefit” does not jeopardize the tax-exempt status of an organization until the dollar amount, percent of overall receipts represented by the non-member income, the frequency and the profitability of the fund raisers is “substantial”.

3. A member can be paid for services rendered: If a member performs services in connection with NAWIC sponsored activities, the member is entitled to be paid the value of her services (which payment she can keep or donate back to the Chapter). Compensation for services rendered is not a “benefit”. Compensation must be fair market value and not exceed what would normally be paid. Still, though, compensation in excess of the value of the services rendered or where no service is rendered, is a “benefit” to the member, and may jeopardize NAWIC’s §501(c)(6) exemption. **NAWIC DOES NOT ENCOURAGE THIS PRACTICE.**
4. A Chapter can keep excess revenue over expenses in reserves: Currently, no statutory or regulatory provisions address the accumulation of reserves by associations, and no known case exist where the size of a reserve fund affected an association’s tax-exempt status. Funds may be set aside for any perceived future need or just the proverbial “rainy day”. [\(Updated 10/2017\)](#)
5. Surplus Revenues at Year End: Funds remaining in a Chapter’s treasury at the end of the fiscal year can be transferred to surplus accounts (reserves) that may be invested in savings or brokerage accounts to be used or set aside for future purposes of the Association. As a volunteer leader of your Chapter and Association, you have a fiduciary duty to see that the association’s financial resources are properly managed in a way that best serves the membership. [\(Updated 10/2017\)](#)

Business League §501(c)(6) vs. Public Charity §501(c)(3) Status: What is the Difference?

Business Leagues may obtain tax-exempt status under IRC §501(c)(6). This classification allows a federal income tax exemption to the league itself. However, donations to the league are not deductible to the donor except when qualified as a proper business expense. NAWIC is a §501(c)(6) Business League.

1. Tax Filing of §501(c)(6) Organizations:
 - a. Form 990-N: Small tax-exempt organizations whose gross receipts are normally \$50,000 or less are required to submit electronically Form 990-N, also known as the e-Postcard.
 - b. Form 990/990-EZ: Chapters, who normally have \$50,000 or more in gross receipts and who are **required to file** an exempt organization information return must file either Form 990 (instructions), *Return of Organization Exempt from Income Tax*, or Form 990-EZ (instructions) *Short Form Return of Organization Exempt from Income Tax*. If a form is filed late, the IRS will impose a penalty of \$20 per day for each day the return is late with a maximum penalty of \$10,000 or 5 percent of the organization’s gross receipts, whichever is less.
 - c.

Form 990-T (instructions): “Unrelated Business Income” (defined and discussed in “Revenues, above”) must be reported on Form 990-T. Generally, profits derived from activities which are unrelated to the accomplishment of the organization’s objectives and purposes (other than to provide money) constitute unrelated business income. *An organization that fails to file the required information return (990, 990-EZ or 990-N) for three consecutive tax years will automatically lose its tax-exempt status.*

IRS Form 990 Filing Thresholds at a Glance

TAX YEAR	GROSS RECEIPTS	TOTAL END OF YEAR ASSETS	FORM REQUIRED
2014 & beyond	\$200,000 or more	\$500,000 or more	990
	<\$200,000 and >\$50,000, Normally ≤\$50,000	<\$500,000	990 or 990EZ 990N (e-postcard)

2. Charitable Organizations: Under §501(c)(3), charitable or educational organizations also may obtain tax exempt status similar to business leagues, but with an additional benefit. Not only is the income of a §501(c)(3) organization exempt from federal tax, but any contributions to the organization may also be deducted by the donor as a charitable contribution. NAWIC, as a business league, does not have this additional benefit. However, the NAWIC Education Foundation (NEF) is a tax-exempt entity “public charity” under IRC §501(c)(3). The NAWIC Founders’ Scholarship Foundation (NFSF) is a trust operated exclusively as a nonprofit

supporting organization with the sole purpose of serving the Association in awarding educational scholarships under IRC §509(a)(3) and thus also qualifies under IRC § 501(c)(3).

- a. How to Gain §501(c)(3) Tax Status: As with the Business League classification, a charitable organization must apply for tax-exempt status. To obtain a §501(c)(3) exemption, an organization must complete a Form 1023 and submit it to the IRS District where the organization has its principal office. If the IRS requirements are satisfied, it will issue a “determination letter” to the organization indicating that charitable donations made to the organization will be tax deductible. A Form 1023 application must be filed with the IRS within 27 months of the organization’s start up for it to be retroactive to the organization’s date of formation; otherwise, exemption is only available as of the filing day of the 1023. Thereafter, the IRS must either approve or disapprove the application within 270 days, or the organization can go to court for a determination ruling. Because NAWIC chapters are not exempt under IRC § 501(c)(3), it is not necessary for NAWIC Chapters to go through this process.
- b. Tax Reporting for a §501(c)(3): Once the §501(c)(3) status is granted, the organization must file its own 990 form annually just as the §501(c)(6) chapter files, and keep its own books and records as well. Expenses for exempt and non-exempt items (i.e., two organizations hiring one employee to do both chapter and charity work) may be split, and a written agreement should be prepared to

set out the sharing arrangement. It is very important that the NAWIC chapter and the exempt fund stay “at arm’s length” from each other so that no exempt funds end up being used for non-exempt purposes. This could jeopardize the exemption.

3. Excise Tax on “Wagers”: Many NAWIC Chapters raise money through raffles, Las Vegas or Monte Carlo nights, etc. 28 U.S.C. §4401(a) imposes a 2% excise tax (over, above and separate from all other taxes) on all “wagers.” However, “wagers” are defined in §4421 in such a way that most raffles or lotteries conducted by NAWIC chapters would not be included and thus, not taxed. **(They may or may not be legal in your state, however, so be sure to check!)**
 - a. What is “Wagering?” The Federal statute defines “wagering” to include “lotteries”, which, in turn, is generally defined to exempt the kinds of drawings NAWIC might conduct: §4421. Definitions. For purposes of this Chapter -- Lottery. The term “lottery” includes the numbers game, policy, and similar types of wagering. The term does NOT include -- any drawing conducted by an organization exempt from tax under §501 and §521, if no part of the net proceeds derived from such drawing inures to the benefit of any private shareholder or individual. Thus, raffles, door prizes, etc. that NAWIC or a chapter may conduct to increase attendance at their functions are generally exempt from tax. If, however, the Chapter raises substantial funds from non-members, this money will be viewed as benefiting individual members, by allowing them to keep their dues down making it

non-exempt and taxable. If the raffle is restricted to members only, this isn't a concern because they are paying all the needed Chapter support one way or the other. (Once again, if the amount of money raised is "substantial," it could cause the Chapter to lose its tax-exempt status. But these are two different questions -- §501(c)(6) versus non-§501(c)(6), and wagering taxed versus wagering not taxed -- and IRS and courts would be looking at them under different guidelines.)

Frequently Asked Questions

1. Who should be on the Finance Committee?

Ideally, the Finance Committee should consist of the incoming and outgoing Treasurers and Presidents (and any others deemed necessary by the Chapter). It is also recommended that committee chairs submit their committee's requirements and supporting information for their committee's budget needs.

2. Can Chapter funds be used to defray all or part of costs incurred by members who attend Annual Conference (AC), Forum, or Fall Conference?

Yes. If a member is fulfilling a Chapter function for the Chapter's benefit, she can be **reimbursed** for the expense incurred for the Chapter's benefit. (Note: The whole Chapter cannot go to a function and be reimbursed since there would be no Chapter benefit -- there is no one to go back to report to which is the purpose of the written report.) To avoid problems with the IRS, any member who is reimbursed for all or part of her expenses to attend these functions is required to

present a report to the chapter members within 45 days of the event. Standing Rule #4 reads: "Any member accepting Chapter funds to attend any Association function shall prepare a report to be either published or distributed within forty-five days following the event." The report shall be attached to the appropriate Chapter minutes." Detailed receipts must accompany any reimbursement requests and be filed by the Treasurer. This keeps everything in one place in the event a chapter is audited by the IRS and reimbursements are questioned.

3. Can reimbursement be paid to the Chapter President and Officers (required by their Chapter to attend) for expenses to attend Annual Meeting & Education Conference (AC), Forum, or Fall Conference?

Yes. Chapter presidents and officers (required by their Chapter to attend) can be **reimbursed** for expenses since they are attending in a leadership capacity and will attend workshops to further develop their chapter leadership skills. To avoid problems with the IRS, any member who is reimbursed for all or part of her expenses to attend these functions is required to present a report to the chapter members within 45 days of the event. Standing Rule #4 reads: "Any member accepting Chapter funds to attend any Association function shall prepare a report to be either published or distributed within forty-five days following the event." The report shall be attached to the appropriate Chapter minutes." Detailed receipts must accompany any reimbursement requests and be filed by the Treasurer. This keeps everything in one place in the event a chapter is audited by the IRS and reimbursements are questioned.

4. Is it necessary to give a Treasurer's Report every month?

Yes! Treasurer's Report, including a copy of the latest bank statement(s) should be given every month at the Board meeting and be available upon request at the General Membership meeting. The Board should approve the Report and file for audit. Remember that the Treasurer's Report should **not** be printed in the Chapter newsletter. Also, if you publish your minutes in the Chapter newsletter, do not indicate the amount of monies from the Treasurer's Report.

5. Who is responsible for the Chapter's 990 IRS Form?

In accordance with Article XI, Section 1, Duties of Officers, the President "shall in a timely manner prepare and file all documents necessary to protect the Chapter's non-profit status for the fiscal year in which she serves as President." Although it is the President's ultimate responsibility, the Treasurer should assist her in preparing the 990 for the year of her term.

6. Are Fundraisers tax-deductible?

No, contributions to your Chapter fundraisers are not tax deductible for the contributor unless your Chapter has a separate scholarship corporation that was incorporated as a 501(c)(3). Only contributions to the NAWIC Education Foundation (NEF) and the NAWIC Founders' Scholarship Foundation (NFSF) are tax deductible. NAWIC is not a charity, but is a business league. Be aware that fundraisers should be related to NAWIC's exemption purpose which is ***"To unite for their mutual benefit women who are actively employed in the various phases of the Construction Industry."***

7. What are considered usual Chapter operating expenses?

Since members' dues should go to pay for operating expenses, are your dues enough to cover them? Usual Chapter operating expenses include P.O. Box rental, storage unit rentals, postage, stationary, phone lines, insurance, annual Chapter fees like incorporation fees, newsletter or website expenses. ***To further analyze if your Chapter dues are enough, utilize the Chapter Budget vs Actual spreadsheet online at <http://www.NAWIC.org> > Member Center > Chapter Officer Tools > under "Chapter Treasurer" heading (login required).***

8. Are the dinner meetings considered operating expenses?

If your Chapter dues cover the cost of dinners throughout the year, then dinners are part of operating expenses. If your Chapter collects money to cover dinners so it is an "in and out" on your financials, you do not have to look at it as operating expenses. If your Chapter does not collect enough money from their dinners to cover the speaker's dinner, then speakers' dinners are considered operating expenses.

9. Are "Deposit Only" ATM cards allowed?

Yes, "deposit only" ATM cards are allowed to be used since the only function of it is to deposit checks and/or cash into the Chapter's bank account at an ATM machine. It does not have a Visa or MasterCard logo on it and cannot be used to purchase anything.

10. Are debit/credit cards allowed?

Since times are changing if a Chapter votes to have debit/credit cards, the Credit Card/Debit Card/EFT Policy and Use Agreement must be adopted

by the Board annually and any member whose name is on the credit/debit card must sign the Credit Card/Debit Card Policy and Use Agreement annually. The Credit Card/Debit Card Policy and Use Agreement can be found in this handbook on [pages 38-39](#).

11. Do all members who have access to EFT have to sign the agreement?

Yes, all members who have access to the Chapter PayPal, Square, or any other EFT accounts must also sign a Credit Card/Debit Card/EFT agreement.

12. Should a Chapter have separate line items on the budget for scholarship that are awarded through NAWIC Founders Scholarship Foundation (NFSF)?

Yes, you should have separate line items, under income there should be a line for “NFSF Scholarships” and a corresponding line under expenses for “NFSF Scholarships”.

13. If advertising is part of a Chapter’s sponsorship would that be considered Unrelated Business Income?

A sponsorship is all in the eye of the beholder and the IRS. You have to look at what you are selling. If I sell a “sponsorship” to the local CPA firm to be in the monthly newsletter in the form of a business card type ad, and recognize and thank them for sponsoring the newsletter, or hole sponsor at the annual golf tournament or whatever.... The organization does not have advertisingthat’s a sponsorship to the organization and advertising to the CPA. Generally an arrangement made without the expectation of receiving a benefit....and is treated like a contribution and is not taxable. If I sell a “sponsorship” that also allows for the placement of any solicitation type ad, coupon, discussion of how good or great they are.....you have sold advertising, because the purchaser is expecting a benefit from that placement, and at that

point you have unrelated business income that could be subject to tax. The net amount is what is subject to tax and you are allowed to make \$1,000 per year in unrelated business income. Rarely to small organizations make money from their sponsorship/advertising programs, they are looking for a way to defray the cost in most instances.

Chapter Scholarships

Funding a Local Scholarship in the Chapter’s Name Through the NFSF. A donation made to a NAWIC §501(c)(6) scholarship fund may not be taken as a tax deduction by the donor, thus NAWIC may not solicit contributions to those funds under the guise of receiving a tax deduction. Furthermore, the chapter also cannot award scholarships to members. However, this does not mean that NAWIC chapters totally lose out on this donor incentive. The NAWIC’s Founders’ Scholarship Foundation (NFSF) does enjoy §509(a)(3) status as a scholarship trust for the association.

Any contributions made to it are tax deductible. (Chapter fund-raisers can be set up so that all the net proceeds go to NFSF, so that they are tax deductible.) A chapter could utilize the deduction incentive to amass contributions in its area, passing the funds on to NFSF, which would, in turn, grant scholarships to worthy recipients in the chapter area equivalent (minus an administrative fee) to what the chapters donated. The system poses no legal problem as long as no one who made a contribution (and took a tax deduction) controls the selection of the scholarship recipient. The benefit is that a §509(a)(3) organization is not automatically prohibited from granting a scholarship to anyone who is related to a member of its Board of Directors or who made a contribution to it, or members of the chapter, or their relatives. It also avoids legal and reporting costs of a separate corporation.

NAWIC Chapter Treasurer’s Checklist

Monthly Checklist

The following items should be performed on a monthly basis:

	DESCRIPTION
General:	Balance Checking Account. Follow up on any checks outstanding for more than 60 days.
	Pay bills for budgeted items as approved by the Board and post to the general ledger/appropriate budget items.
	Deposit all funds for Chapter in a timely manner.
	Record electronic ACH payments of members’ Chapter dues from the NAWIC Office.
Board Meeting:	Unbudgeted items (if any) are to be approved by the Board.
	Prepare monthly report(s) for the Board. Forward a copy of the approved monthly report(s) to your Region Director.
	Prepare list of expenses to be approved for payment and receive approval to pay same.
Membership Meeting:	Prepare and have available current financial report to the membership. Provide upon request.

Due Date Checklist

In addition to the monthly checklist, the following items should be performed by their due date:

DUE DATE	DESCRIPTION
Prior to October 1	Finance committee to work on proposed budget. The budget should be approved by the Board that will be utilizing it prior to October 1 st . Once the new Board is installed typically at the September meeting a Board meeting can be set-up right after that meeting or at another time between the installation and October 1 st .
	The Board designates a depository for all Chapter funds and designates the third Officer authorized to countersign checks for withdrawal of funds from such depositories.
	Confirm or notify the National office of any account information changes such as signer change, financial institution and/or account number changes.

DUE DATE	DESCRIPTION
Prior to October 1 continued	Credit/Debit Card (If applicable): <ul style="list-style-type: none"> • Authorized users sign Credit Card/Debit Card/EFT Use Agreement • Order new credit/debit cards for authorized users approved to have a Chapter credit/debit card. • Collect previously authorized user(s) credit/debit cards, destroy cards and remove their name(s) from the credit/debit card account(s)
October	Work with Board and Membership Committee regarding those members not renewing (as you receive appropriate information from the NAWIC Office).
	The Board notifies the membership that the budget has been approved and is available for review. Forward a copy of the approved budget to your Region Director.
	Get appropriate signatures for new bank cards for new fiscal year.
	Outgoing Treasurer: After audit has been completed give all financial records including but not limited to back-up documents, reports, accounting software, account(s) password, debit/credit cards, "Deposit Only" ATM cards etc. to Incoming Treasurer.
October or November	An oral report of the findings of the Audit Committee shall be given at the next board meeting following the audit so it appears in the board minutes.
	Outgoing Treasurer distributes a report after the audit of the previous year review of total income, expenses and year-end balances in all accounts at the Board meeting and printed copies available at the membership meeting.
January	File any required State forms for a non-profit organization.
February 15	IRS 990N e-postcard, 990EZ and/or 990T form(s) due to IRS to avoid penalty. (IRS will assess a fee at a daily rate if late.)
March	Prepare with the Chapter President and Finance Committee the revised mid-year budget for Board review and approval.
September 30	Upon receipt of September bank statement, complete records; give to Audit Committee and/or new Chapter President.

Forms, Policies, Agreements, Reports (Alphabetical)

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ACH CREDIT PAYMENT AUTHORIZATION
ACH Credit Agreement for Direct Payments

Chapter Name: _____ **Chapter Number:** _____

I (we) hereby authorize National Association Of Women In Construction (NAWIC National) to initiate credit (payment) entries to my (our) Checking Account indicated below at the depository financial institution named below, hereinafter called DEPOSITORY, and to credit (payment) the same to such account, I (we) acknowledge that the origination of ACH transactions to my (our) account must comply with the provisions of the U.S. law.

Depository Name: _____ **Branch:** _____

City: _____ **State:** _____ **Zip:** _____

Routing Number (9 Digits): _____

Account Number: _____

This authorization is to remain in full force and effect until National Association of Women in Construction has received notification of account change.

All account signers must sign below

Chapter President Signature: _____ **Date:** _____

Print Name: _____

Chapter Treasurer Signature: _____ **Date:** _____

Print Name: _____

Other Signature: _____ **Date:** _____

Print Name: _____

Attach a VOIDED CHECK to this Authorization

This is a mandatory procedure for Chapter Dues payments. Check payments will no longer be sent.

BUDGET REQUEST

NAWIC Chapter Name: _____ Chapter #: _____ Finance Committee
 Due: _____

Please fill out and return this form to:

Finance Committee Chair: _____

Phone: _____

E-Mail: _____

COMMITTEE NAME: _____

CHAIR/CO-CHAIR: _____

PHONE: _____

E-MAIL: _____

Total Budget from Last Year (If Known): \$ _____

PROPOSED 20 -20 BUDGET:

AMOUNT REQUESTED:	DESCRIPTION*:

*Please provide a brief description of how you plan to use the funds you have requested.

QUESTIONS?

Contact the Finance Committee Chair: _____

E-Mail: _____

CHART OF ACCOUNTS (SAMPLE)

NAWIC Chapter Name: _____ Chapter #: _____

ASSETS

101	Cash in Bank	Checking Account
102	Cash in Bank	Reserve Account (Savings)
103	Cash in Bank	Special Account (Scholarship)

LIABILITIES

NET WORTH

201	Fund Balance
-----	--------------

INCOME

301	Dues – Chapter
306	Dinner Fees
316	Ways and Means
317	Construction Industry Project
318	Contributions (Corporate/Member Sponsors)
320	Interest Income
321	Miscellaneous

EXPENSES

400	Advertising
405	NAWIC Education Foundation (NEF)
406	NAWIC Founders Scholarship Foundation (NFSF)
410	Newsletter/Bulletin (including postage)
415	Industry Appreciation Dinner
420	Hospitality
425	Annual Conference (AC)
430	Forum
435	Fall Conference
440	Dinner (Guests and Prospective Members)
442	Installation
445	Region Administrative Fund Dues
450	Membership Promotion
455	NAWIC Director/National Guest
460	Professional Development & Education (PD&E)
465	Construction Industry Project
467	Committees
470	President
475	Historian
480	Stationery, Postage, Miscellaneous Office Expense
490	D&O Insurance
495	Contingency/Miscellaneous

CREDIT CARD/DEBIT CARD/EFT POLICY AND USE AGREEMENT

The _____ (Chapter or Region Name) understands that the use of credit/debit cards/EFT payments provide relative efficiencies to the chapter/region. Credit/Debit Cards/EFT with the chapter/region name attached may only be used by

All individuals using chapter/region credit/debit cards/EFT are required to comply with the following guidelines:

Card and EFT use will be limited to the payment of reasonable business expenses and it will only be used in accordance with purchasing guidelines and the authority inherent in the card holder's position to make expenditures on behalf of the chapter/region.

Card and EFT will not be used for cash advances or the purchase of traveler's checks or personal gift cards.

Receipts for all expenditures must be kept in good order and must be furnished promptly (within 30 days), along with such additional documentation that may be required to comply with good business practices, including but not limited to person, place, purpose and account to which each expense should be charged. The receipts must be turned in to the chapter treasurer/region guardian with approval for payment by the board of directors/region trustees. Credit card and/or bank statements are not considered receipts or sufficient additional documentation.

Monthly statements, receipts and periodic reports will be reviewed. This card/EFT shall not be used for personal expenses. Any unauthorized charges will be denied payment and prompt reimbursement will be required. If prompt reimbursement is not made, the credit/debit card/EFT will be discontinued. Any person not reimbursing the chapter/region for unauthorized purchases will jeopardize their good standing with the chapter/region.

Reasonable care of this card/EFT information and reasonable precautions for its security must be taken. Should the card/EFT information be lost or stolen, prompt notification of the chapter/region and the company that issued the card/EFT information and full cooperation is required.

The assignment of this card/EFT privilege is for convenience when conducting regular business. As such, cash advances should not be necessary.

While individual names are associated with issued cards or EFT and are often tied to an individual's credit, they are not the property of the individual and should be surrendered at any time and for any reason that the chapter/region or the issuing card company requests.

A copy of the credit/debit card front and back will be kept in the chapter's/region's permanent files at all times.

All EFT information will be kept in the chapter's/region's permanent files at all times.

CREDIT CARD/DEBIT CARD/ EFT USE AGREEMENT

I accept the chapter/region credit/debit card/EFT assigned to me and agree to the following terms and conditions:

Card/EFT use will be limited to the payment of reasonable business expenses and it will only be used in accordance with purchasing guidelines and the authority inherent in the card holder’s position to make expenditures on behalf of the chapter/region.

Card/EFT will not be used for cash advances or the purchase of traveler’s checks or personal gift cards.

Receipts for all expenditures must be kept in good order and must be furnished promptly (within 30 days), along with such additional documentation that may be required to comply with good business practices, including but not limited to person, place, purpose and account to which each expense should be charged. The receipts must be turned in to the chapter treasurer/region guardian with approval for payment by the board of directors/region trustees. Credit card and/or bank statements are not considered receipts or sufficient additional documentation.

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While individual names are associated with issued cards/EFT and are often tied to an individual’s credit, they are not the property of the individual and should be surrendered at any time and for any reason that the chapter/region or the issuing card company requests.

A copy of the credit/debit card front and back will be kept in the chapter’s/region’s permanent files at all times.

All EFT information will be kept in the chapter’s/region’s permanent files at all times.

Print Name: _____ Print Name: _____

Sign Name: _____ Sign Name: _____

Date: _____ Date: _____

Print Name: _____ Print Name: _____

Sign Name: _____ Sign Name: _____

Date: _____ Date: _____

STAPLE
RECEIPTS
HERE

20__ - 20__ Expense Reimbursement Form

NAWIC Chapter Name: _____ Chapter #: _____

All chapter members: when requesting reimbursement for expenses, you must use this form.

Please attach all invoices/receipts to this form.

Hand-deliver to the Chapter Treasurer or E-Mail to _____.

Chapter Member Name: _____

Committee/Title: _____

Date: _____

Make Check Payable To: _____

OPERATING EXPENSES:

Advertising (print, website, newsletter, marketing etc.) \$ _____

Meetings – Social \$ _____

Meetings – Guest Dinners \$ _____

Meetings – Industry Appreciation \$ _____

Professional Development & Education (PD&E) (speaker gifts) \$ _____

Membership Promotions – WIC Week \$ _____

Membership Promotions – Promotional Items \$ _____

President Expenses \$ _____

Fall Conference/Forum/AC \$ _____

Installation \$ _____

Membership Pins \$ _____

Plaques/Recognition \$ _____

NEF – Block Kids \$ _____

NEF – CAD \$ _____

NFSF – Scholarship \$ _____

Construction Industry Project \$ _____

Fundraiser – (general/flowers, etc.) \$ _____

Fundraiser – Raffles \$ _____

Fundraiser – Table Sales \$ _____

General Administrative (postage, cards, flowers, scrapbookingsupplies, etc.) \$ _____

Description: _____

Misc. (Description: _____) \$ _____

Total Expenses Paid: ----- \$ _____

To be completed by the Treasurer:	
Approved by: _____	Date: _____
Paid to: _____	Check #: _____

National Association of Women in Construction

CHAPTER TRANSFER FORM

(Completed by Member's Former Chapter)

To: _____
NEW Chapter Name and Number _____ Region _____

This will serve as confirmation that NAWIC member _____, is currently a member in good standing within this chapter. ([NAWIC Operations Manual page C-2](#))

Monthly prorated chapter dues must be returned to the NAWIC National office with this form. Chapter dues to be returned are \$_____. ([NAWIC Operations Manual page F-6](#)) Any questions regarding the prorated chapter dues should be directed to the NAWIC National office.

The Chapter Treasurer will **immediately** provide the NAWIC National office with a copy of this form.

_____	_____
Chapter Treasurer	Date
_____	_____
Email address	Phone
_____	_____
Chapter name and number	Region

TREASURER'S REPORT

NAWIC _____ Chapter # _____

CHECKING STATEMENT PERIOD ENDING _____, 20 _____ :

Preceding Month's Checking Statement Balance:	\$	
Receipts (per deposit list amount, source and income category):	+\$	
Expenses (per check list payable to, amount and expense category):	-\$	
End of Month Checking Statement Balance:	\$	

OUTSTANDING ITEMS (haven't cleared the bank as of the checking statement date):

Receipt(per deposit list amount, source and income category):	+\$	
Expenses (per check list payable to, amount expense category):	-\$	
Current Checking Account Balance:	\$	
Notes:		

Respectfully submitted: _____ Date: _____
 _____, Treasurer

RECORD RETENTION AND DOCUMENT DESTRUCTION POLICY

The National Association of Women in Construction (NAWIC) shall retain records for the period of their immediate or current use, unless longer retention is necessary for historical reference or to comply with contractual or legal requirements. Records and documents outlined in this policy include paper, electronic files (including email) and voicemail records regardless of where the document is stored, including network servers, desktop or laptop computers and handheld computers and other wireless devices with text messaging capabilities.

In accordance with 18 U. S. C. Section 1519 and the Sarbanes Oxley Act, NAWIC shall not knowingly destroy a document with the intent to obstruct or influence an “investigation or proper administration of any matter within the jurisdiction of any department agency of the United States or in relation to or contemplation of such matter or case.” If an official investigation is underway or even suspected, document purging must stop in order to avoid criminal obstruction.

In order to eliminate accidental or innocent destruction, NAWIC has the following document retention policy:

Type of Document	Retention Period
Accident reports and claims (settled cases).....	7 years
Accounts payable ledgers and schedules.....	7 years
Accounts receivable ledgers and schedules.....	7 years
Audit reports of accountants.....	7 years
Bank reconciliations.....	2 years
Capital stock and bond records; ledgers; transfer registers; stubs showing issues; record of interest coupons; options; etc.....	7 years
Cash books.....	7 years
Charts of accounts.....	7 years
Checks (canceled, but see exception below).....	7 years
Checks (canceled for important payments, i.e., taxes; purchases of property; special contracts; etc. Checks should be filed with the papers pertaining to the underlying transaction.).....	Permanently
Contracts and leases (expired).....	7 years
Contracts and leases still in effect.....	7 years
Correspondence (routine) with members, customers, or vendors.....	1 year
Correspondence (general).....	3 years
Correspondence (legal and important matters only).....	Permanently
Deeds, mortgages and bills of sale.....	Permanently
Depreciation schedules.....	7 Years
Duplicate deposit slips.....	2 years
Employee personnel records (after termination).....	3 years
Employment applications.....	3 years
Expense analyses and expense distribution schedules.....	7 years
Financial statements (end-of-year, other months optional).....	7 years

Record Retention and Document Destruction Policy Continued

General and private ledgers (and end-of-year trial balances).....	7 years
Insurance policies (expired).....	3 years
Insurance records, current accident reports, claims, policies, etc.....	7 years
Internal audit reports (in some situations, longer retention periods may be desirable).....	3 years
Inventories of products, materials and supplies.....	7 years
Invoices to members and customers.....	7 years
Invoices from vendors.....	7 years
Journals.....	Permanently
Membership applications.....	3 years
Minutes of directors and committees, including by-laws and charter.....	Permanently
Notes receivable ledgers and schedules.....	7 years
Option records (expired).....	7 years
Payroll records and summaries, including payments to pensioners.....	7 years
Petty cash vouchers.....	3 years
Physical inventory tags.....	3 years
Plant cost ledgers.....	7 years
Property appraisals by outside appraisers.....	Permanently
Property records, including: costs; depreciation reserves; end of year trials balances; depreciation schedules; blueprints and plans.....	Permanently
Purchase orders (except purchasing department copy).....	2 years
Receiving sheets.....	2 years
Requisitions.....	2 years
Sales records.....	7 years
Savings bond registration records of employees.....	3 years
Scrap and salvage records (inventories, sales, etc.).....	7 years
Stock and bond certificates (canceled).....	7 years
Stockroom withdrawal forms.....	2 years
Subsidiary ledgers.....	7 years
Tax returns and worksheets; revenue agents' reports and other documents relating to determination of income tax liability....	7 years
Time books.....	7 years
Trade mark registrations.....	Permanently
Voucher register and schedules.....	7 years
Vouchers for payments to vendors, employees, etc. (Includes: allowances and reimbursement of employees, officers, etc., for travel and entertainment expenses.).....	7 years

Adopted by the Board_____.



*Leading
Builders.*

***Building
Leaders.***

**You are never alone in this Chapter Treasurer's position!
Always ask questions...this will make you the best leader for your
Chapter!**

Good Luck and Have FUN!!!