

# Post Treasurer Training

October 23, 2024

# Agenda

- Financial Reports
- Form 990 (IRS filings)
- Audits
- Post Dues
- Insurance
- Open Discussion

# Annual Financial Reports

# Annual Financial Report : What, Why, Where

- Posts are required to submit an Annual Financial Report to the National Office by March 31
- The submission portal is available on the Post Resource Center:  
<https://www.same.org/post-resource-center/>
- Posts that do not submit on time are not in “Good Standing” meaning:
  - Posts will not receive quarterly dues until report is submitted
  - All dues are forfeited if the report is not received by the end of the calendar year.
- Posts are also **required** to submit programmatic information through the Streamers portal, *even if they are not competing for the Streamer award.*

# Annual Financial Report: How

- Login with your Post credentials (e.g.: [boston@same.org](mailto:boston@same.org))
  - <https://same.secure-platform.com/annualreport>
- Contact [Posts@same.org](mailto:Posts@same.org) if you need your login or assistance in completing the submission
- The portal opens in December through the completion of all submissions or Dec 31.
- Audited data is not required but the date of the audit is required on the Financial Report

## Due dates:

- January 31 - Streamer programmatic submission
- March 31 - Financial Annual report submission

# Let's Pause for Questions on Annual Reports

# IRS-Related Information

# Tax-Exempt Definitions

**Tax-exempt status** refers to the exemption from federal income tax under the Internal Revenue Code (IRC). It DOESN'T mean that one cannot turn a profit.

**Tax-Exempt Organizations:** These are organizations that are not required to pay federal income tax on the income they generate because they operate for charitable, educational, religious, or other specified purposes.

**SAME and your Post is a 501(c)(3):** Organizations that are charitable, religious, educational, scientific, or literary in purpose.



# Benefits + Responsibilities of a Tax-Exempt Status

## Benefits

- **Tax Deductions:** Donors can deduct contributions made to 501(c)(3) organizations on their income taxes, encouraging charitable giving.
- **Grant Eligibility:** Many foundations and government programs require organizations to have tax-exempt status to apply for grants.
- **Sales and Property Tax Exemptions:** Some states offer additional exemptions for property taxes or sales taxes.

## Responsibilities

- **Regulatory Scrutiny:** Tax-exempt organizations must adhere to strict regulations and can face audits.
- **Public Perception:** Maintaining transparency and accountability is crucial for public trust and ongoing support.

# Group Exemption

A group exemption is a provision from the IRS that allows a central or “parent” non-profit organization to **extend** its tax-exempt status to its **chapters or posts**. Individual chapters then don’t need to separately apply for their own tax-exempt status as they fall under the parent organization’s exemption.

**SAME has Group Exemption status, and the code group exemption code is 1278**

The benefit of having group exemption to Posts:

- Eased Compliance
- Saves time and money
- Eased Expansion...New Posts are tax-exempt!
- Unity with the SAME National Office

# Group Exemption – Continued

- SAME prepares a Group Exemption Report annually including each Post that is in good standing
  - All Posts **in good standing** are exempt from Federal income tax under the SAME National's "Group Exemption."
- Posts' Annual financial reports are used as a basis for filing
- Federal group exemption does not necessarily provide state tax exemption. Each state's rules are different.
- Federal Non-Profit status may or may not provide an exemption from state sales tax - it depends on state laws.

# Posts – In Good Standing

Legally “in good standing” means:

- Post met all legal requirements to operate in its state, including paying fees and filing paperwork.
- If the post loses its good standing, its status will change to delinquent, suspended, dissolved, or forfeited, depending on the state.
- To check your status of good standing, visit your Secretary of State's website, where the post is registered.
- A certificate of good standing is not a license, and an organization can legally operate in its registered state without one. However, a company may need a certificate of good standing in certain circumstances, such as when insuring the business or competing for a government and foundation grant.

# IRS Filings

All non-profit organizations in the US are legally required to file a tax return, specifically Form 990. Form 990 provides the IRS and the public with information about the nonprofit's activities, governance, and finances and helps ensure that non-profits are operating in accordance with their tax-exempt purposes.

- Most tax-exempt organizations under Section 501(c)(3) and other sections are required to file Form 990, 990-EZ, or 990-N, depending on their revenue.
  - **Form 990:** For organizations with gross receipts over \$200,000 or total assets over \$500,000.
  - **Form 990-EZ:** For organizations with gross receipts between \$50,000 and \$200,000.
  - **Form 990-N (e-Postcard):** For organizations with gross receipts of \$50,000 or less.
- **Filing Deadline**
  - Form 990 is typically due on the 15th day of the 5th month after the end of the organization's fiscal year.
  - Extensions can be requested.
- **Consequences of Not Filing**
  - Failure to file Form 990 can result in penalties and may lead to the loss of tax-exempt status after three consecutive years of non-filing.

# IRS Reporting Requirements for Posts

- All Posts have an annual filing requirement
- Determine which form to use (Form 990 or 990-N) is based on “Gross Receipts”
- “Gross Receipts” = All cash received during the Post’s fiscal year
  - Includes (for example):
    - Contributions
    - Post dues
    - Revenue from events and activities (even if in a separate bank account)
  - Excludes transfers between funds, e.g., from checking account to money market or other savings fund

# Questions about IRS Stuff?

- Next up “Finance & Accounting”

# Finance and Accounting



# Finance & Accounting

Posts have specific finance and accounting requirements to ensure compliance and effective management.

## Financial Recordkeeping

- **Maintain Accurate Records:** Keep detailed records of income, expenses, donations, and grants.
- **Chart of Accounts:** Use a chart of accounts tailored to the post's activities for better tracking.

## Budgeting

- **Annual Budget:** Create an annual budget to project income and expenses, guiding financial planning and decision-making.
- **Routine Review:** Regularly compare actual performance against the budget. Adjust activities as needed.

## Bank Accounts

- **Separate Bank Account:** Maintain a separate bank account for the Post to manage funds independently. Consider a separate account for activities such as scholarships, education funds, etc.
- **Dual Signatures:** We strongly suggest requiring dual signatures for checks above a certain amount to enhance financial controls.

# Finance & Accounting – Continued

## Financial Statements

- **Prepare Financial Statements:** Create regular financial statements, such as income statements and balance sheets, to monitor the chapter's financial health.
- **Monthly Reports:** Consider preparing monthly financial reports for board meetings.

## Internal Controls

- **Segregation of Duties:** Ensure that different individuals handle receipts, disbursements, and recordkeeping to prevent fraud.
- **Regular Reconciliations:** Regularly reconcile bank statements against financial records.

## Compliance

- **Tax Compliance:** Be aware of filing requirements and ensure timely submissions.
- **State Regulations:** Understand and comply with state-specific requirements for non-profits, including fundraising regulations.

## Donor Acknowledgment

- **Receipt Issuance:** Provide written acknowledgments to donors for contributions, especially for amounts over \$250, to comply with IRS regulations.

# Finance & Accounting – Continued

## Accounting Software

- **Financial Training:** Offer training for board members and volunteers on basic financial management and compliance.
- **Accounting Software:** Utilize user-friendly accounting software to simplify bookkeeping and reporting.

## Audit and Review

- **Periodic Reviews:** Consider periodic internal reviews or audits, especially if the Post grows or handles significant funds.

## Accounting Policies & Procedures

- Accounting & finance policy and procedure documents are essential for ensuring consistent and accurate financial reporting, financial controls, and so everyone understands the rules!

# Annual Audit

- Posts should conduct an audit annually after they have closed their books for the fiscal year.
- The SAME fiscal year is January 1- December 31.
- Audit should be conducted by three people, two who do not have access to the financials
- An audit readiness document is available on the Post Resource Center.

# Questions on Finance & Accounting?

- Next up: Post Dues

# Post Dues

# Corporate Member Dues

- Post Dues Computations
  - 15% of Post dues payment
  - Depends on member size at corporate level
  - Based on dues paid in the quarter
- Post Dues Payment Schedule
  - Paid quarterly (to Posts in Good Standing)
  - Paid approximately 6 weeks after end of quarter

# Individual Member Dues

- IM Post Dues Computations
  - \$5 for each individual membership
  - Based on dues paid in the quarter
- IM Post Dues Payment Schedule
  - Paid quarterly to Posts in Good Standing
  - Paid approximately 6 weeks after end of the quarter



# Post Dues Payments

- Dues are paid by EFT only
- Post must be in good standing
  - Has filed prior year Financial Annual Report (due Mar 31) and Streamers (due Jan 31)
  - Has valid bank information and treasurer e-mail on file
  - Has updated bylaws
- An e-mail is sent to the Treasurer on record with National prior to every due payment containing the amount
- Once Post is in good standing, payment for all outstanding dues in the same fiscal year will be made with the next quarterly dues payment.

# Questions on Post Dues?

- Next Up: Insurance

# Insurance

# Insurance

- General Liability
- Directors and Officers – Insurance for leaders
- Liability Coverage for Events

# Insurance – General Liability Coverage

- General Liability
  - Bodily Injury/Property Damage to a third party
  - Insures *others* against actions by *SAME* employees or volunteers
  - SAME National lists Posts in good standing on its policy
- Limits of Liability on Primary General Liability Coverage:
  - \$ 1 million/occurrence
  - \$ 2 million/aggregate
- Umbrella (provides additional General Liability Coverage):
  - \$ 1 million/occurrence
  - \$ 1 million/aggregate

Limits of Liability are shared with all Posts.

# Insurance – D&O Insurance

D&O insurance protects Post leaders from personal financial losses if they are sued for actions they took while serving in their role. It can cover legal fees, settlements, and damages related to lawsuits.

- If a Post or its E&M Fund is separately incorporated it is not automatically covered. Three options available:
  - Post can complete a separate application.
  - Post can secure its own insurance.
  - Post can go without D&O coverage.
- Limits of D&O Insurance Coverage:
  - \$1 million/occurrence
  - \$1 million aggregate

# Insurance – Post Events

- Meetings, Trade shows, and Conferences are covered under our General Liability policies.
- Many facilities require a Certificate of Insurance (COI); your Post can obtain a COI from our broker
- To obtain a COI:
  - Ask your facility for their requirements; many will provide a sample COI that lists required amounts, additional insured, etc.
  - Obtain the COI at least a month in advance.
  - Complete the COI request form, attach any samples, and submit as noted on the COI request form.
  - The Post may be billed by HQ for any costs (last year was \$150).
- Some events require additional or separate insurance such as:
  - 5Ks
  - Axe throwing
  - Boat Tours
  - Skeet Shoots
  - Additional insurance may carry an additional charge.

If you need additional coverage for a special event, or have any questions about insurance please email [posts@same.org](mailto:posts@same.org)

Questions on Insurance  
OR  
Any of Today's Topics?



**THANK YOU**