


Best Practices for Treasurers

Presented by:

Fran Carrillo, LWVC/LWVCEF Treasurer

Jacquie Canfield, LWVC/LWVCEF First Vice President

House Rules

- Please keep “MUTE” on
- Please use the “CHAT” function in your zoom menu to ask questions. We’ll answer them as we go. Or will ask you to unmute yourself to state the question.
- Any slide with a  is a slide that the information will be provided in electronic form with all links after the convention.

Survey Results

Areas we'll be reviewing...

- Treasurer Duties
- Financial Reporting to Board
- Government Filings
- Financial Software
- Membership
- Insurance
- Budget Development

Treasurer Duties

- Bylaws
 - Chief financial officer of the League
 - Maintain adequate and correct accounts of the properties and business transactions
 - Have the books of account open to inspection by any director
- Specific duties
 - Training – Responsible for ensuring board members understand the financial statements
 - Present financial reports with narrative to the board
 - Budget committee –chair or committee member
 - Complete or oversee the annual financials reports with government agencies by deadlines
 - Chair the Finance Committee (if designated by board)
 - Resource to Audit Committee

Financial Reporting to League Boards

- Present At Each Board Meeting:
 - Statement of Activities
 - Statement of Financial Position
 - Restricted Account Balances (if any)
 - Narrative explaining major changes from prior Board report
- Additional Supplemental Information Can Include:
 - Generating dashboard information relevant to your Board
 - Aging Reports – especially if large receivables
 - or payables are outstanding
 - Uses graph or charts when possible – Income
 - goal versus actual received

- Current MTD
- Year-to-Date
- Budget

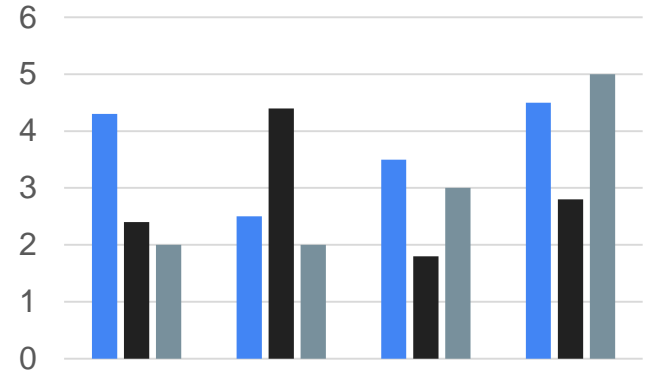




Chart of Accounts Best Practices

		General Administration			Fundraising	Programming									TOTAL
		Misc/Admin	Membership	GOP Total	Fundraising	Programs	Voter Empowerment	Internship Program	Youth Empowerment	Public Policy	SEAC	Immigration	Education	Total	BUDGET
	INCOME														
8810	Membership Dues		\$ 14,000.00	\$ 14,000.00										\$ -	\$14,000.00
8820	Grants Unrestricted			\$ -										\$ -	\$ -
8825	Grants RESTRICTED			\$ -										\$ -	\$ -
8801	Donations - General	\$ 5,000.00		\$ 5,000.00		\$ 1,000.00	\$ 500.00	\$ 1,000.00						\$ 2,500.00	\$ 7,500.00
8861	Donations - Special Events			\$ -	\$ 6,000.00									\$ -	\$ 6,000.00
8865	Bequests			\$ -										\$ -	\$ -
8870	Event & Program Income			\$ -		\$ 6,000.00								\$ 6,000.00	\$ 6,000.00
8880	Interest Income	\$ 600.00		\$ 600.00										\$ -	\$ 600.00
8890	Misc. Inc.			\$ -										\$ -	\$ -
	Total Income	\$ 5,600.00	\$ 14,000.00	\$ 19,600.00	\$ 6,000.00	\$ 7,000.00	\$ 500.00	\$ 1,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,500.00	\$34,100.00
	EXPENSES														
9000	Bank Charge Fees	\$ 300.00		\$ 300.00										\$ -	\$ 300.00
9050	Catering/Beverages			\$ -	\$ 3,500.00	\$ 5,000.00			\$ 200.00					\$ 5,200.00	\$ 8,700.00
9100	Councils/Convention	\$ 2,000.00		\$ 2,000.00										\$ -	\$ 2,000.00
9110	Contributions	\$ 1,000.00		\$ 1,000.00										\$ -	\$ 1,000.00
9150	Equipment Rental & Maint.			\$ -										\$ -	\$ -
9250	Fees & Subscriptions			\$ -										\$ -	\$ -
9300	Insurance	\$ 1,395.00		\$ 1,395.00										\$ -	\$ 1,395.00
9350	Ind. Contractors			\$ -		\$ 1,000.00		\$ 2,000.00						\$ 3,000.00	\$ 3,000.00
9351	Accounting Fees	\$ 2,000.00		\$ 2,000.00										\$ -	\$ 2,000.00
9353	Legal			\$ -										\$ -	\$ -
9400	Advertising/ Marketing			\$ -			\$ 500.00							\$ 500.00	\$ 500.00
9500	PMP			\$ -										\$ -	\$ -
9510	LWVCA		\$ 4,000.00	\$ 4,000.00										\$ -	\$ 4,000.00
9511	LWVUS		\$ 5,000.00	\$ 5,000.00										\$ -	\$ 5,000.00
9550	Postage/Shipping	\$ 500.00		\$ 500.00										\$ -	\$ 500.00
9600	Printing & Publications			\$ -			\$ 300.00				\$ 200.00			\$ 500.00	\$ 500.00
9450	Rent	\$ 3,000.00		\$ 3,000.00										\$ -	\$ 3,000.00
9650	Software Subscriptions			\$ -										\$ -	\$ -
9700	Office Expenses	\$ 500.00		\$ 500.00										\$ -	\$ 500.00
9750	Taxes and Licenses	\$ 55.00		\$ 55.00										\$ -	\$ 55.00
9800	Telephone/Internet	\$ 900.00		\$ 900.00										\$ -	\$ 900.00
9850	Travel/Lodging/Busing			\$ -										\$ -	\$ -
9900	Utilities			\$ -										\$ -	\$ -
	Total Expense	\$ 11,650.00	\$ 9,000.00	\$ 20,650.00	\$ 3,500.00	\$ 6,000.00	\$ 800.00	\$ 2,000.00	\$ 200.00	\$ -	\$ 200.00	\$ -	\$ -	\$ 9,200.00	\$33,350.00
	NET PROFIT (LOSS)	\$ (6,050.00)	\$ 5,000.00	\$ (1,050.00)	\$ 2,500.00	\$ 1,000.00	\$ (300.00)	\$ (1,000.00)	\$ (200.00)	\$ -	\$ (200.00)	\$ -	\$ -	\$ (700.00)	\$ 750.00



Annual Reporting

Calendar Year	Fiscal YE June 30th	Frequency	Program	File with	Costs	Notes
December 31st	June 30th	Annually	Fiscal Year end	Internal		
January	July		Approved Budget	Board/Members		Board Meeting/The Voter
Varies	Varies	Annually	for Raffles	Attorney General of California	Varies	If Registered for a raffle, must file each year. See online
May 15	November 15	Annually	990/990N	IRS		CPA to complete and file online
May 15	November 15	Annually	199	Franchise Tax Board	\$10.00	CPA to complete and file online
May 15	November 15	Annually	Registry of Charitable Trusts	Attorney General of California	\$25.00	Treasurer to file with completed 990 to Registry. https://oag.ca.gov/charities/renewals#online
December (YE)	December (YE)	Annually	General Lib Insurance	LWVC coverage	Varies	LWVC will invoices around December
December (YE)	December (YE)	Annually	Donations			All donations letters given to donors by year end
January 31st	January 31st	Annually	1099	IRS	Varies	Any contractors during calendar year over \$600. Note: if paid by CC, not required to report.
February 1st	February 1st	Annually	PMP Reporting Required	LWVUS/LWVC	Varies	Membership reports the numbers, in addition, they need to enter data into our spreadsheet for budgeting purposes: PMP Figures
Varies	March	Annually	Board Budgeting/Meeting time			Set up Board Budget Committee > Budget for new year
Varies	March (every odd year)	Bi-Annually	Statement of Information	Secretary of State. Renew online.	\$20.00	online: https://www.sos.ca.gov/business-programs/bizfile/file-online/
Varies	April 1st	Annually	New Budget Presentation	Board/Members		Board Meeting/The Voter
Varies	April 5th - 19th	Annually	Liability Insurance DOI	Internal	Varies	
Quarterly	Quarterly	Quarterly	State Sales & Use Tax	California Department of Tax and Fee Administration	Varies	https://www.cdtfa.ca.gov/taxes-and-fees/sutprograms.htm

Financial Software

- Quickbooks - depends on version – most popular is \$70 a month
- Quicken – depends on version – most popular is approximately \$62 a year
- Waves – free software, fees for consultation or additional support
- Software provides
 - Ability to set up chart of accounts
 - Dual entry (balance sheet and profit loss transactions)
 - Standardize reports to use for board meeting

Budget Development

- Review bylaws requirements - normally defines budget committee composition, duties and timelines.
 - Treasurer either is committee chair or member
- Committee work can start as early as December and through March
- Review past year's actual income and expense to assist with realistic assumptions
- Different groups to assist with Budget Development
 - Budget committee
 - Membership Chair - Numbers in National Database on January 31 for PMP
 - Board – Provide/Review assumptions
 - Development Committee – To assist with Donation/Grant assumptions
 - Other Committees – To assist with any other major revenue or expense type
 - Voter Service projects, Community Events, etc.

Membership – Member Information and Renewals

- Leagues have different ways of maintaining members information
 - Spreadsheets or Databases
- Most Leagues utilize renewing dues at a certain time of year
 - Reduces paperwork to certain time of year and reconciliation process
- Most Leagues have ability to accept dues and donations online
 - Convenient for members/reduces paperwork, processing fees for credit cards and Paypal
 - League could set up ACH transfers with members – no processing fees to Leagues
 - Members need to provide checking account information
- Leagues are charged a per member payment (PMP) based January 31 LWWUS membership roster for the following fiscal year



PMP Notes

	FY21-22	FY20-21		Projected Expense	
Type of member	LWVC PMP	LWV PMP	YOUR #s	LWVC PMP	LWV PMP
Individual Member	\$28.00	\$32.00	100	\$2,800.00	\$3,200.00
Primary Household	\$28.00	\$32.00		\$0.00	\$0.00
Secondary Household	\$14.00	\$16.00	32	\$448.00	\$512.00
Honorary 50+	\$0.00	\$0.00	3	\$0.00	\$0.00
Student Member	\$0.00	\$0.00	23	\$0.00	\$0.00
	***		**	\$3,248.00	\$3,712.00

** Reported to LWVC/LWVUS as of February 1, 2021

*****This can change if membership votes to change at convention**

Old Treasurer to New Treasurer Handoff List

- Share all user ids and passwords for financial software, Paypal, etc.
- Share documented procedures utilizing financial software
 - Depending upon expertise of new treasurer arrange time to oversee or review work of new treasurer
- Pass along any documents (electronic and paper)
- Share last official filings with government agencies and provide any tips
- Schedule an audit or internal review (see page 6/7 How to Manage Money)
- Work to get access to all bank accounts changes to new officers
- Change passwords

Educational Fund 501c3 – Funds with State

- 32 Leagues and MAS units utilize the LWVCEF for their tax-deductible donations
- All checks should be made out to LWVCEF and forwarded for deposit
- Donations of at least \$250 will receive letter from LWVCEF
- Allowable Expenses include any approved
 - Educational project, Voter Service projects – 100%
 - Fundraising for EF projects/donations - 100%
 - 25% of State PMP and 50% of National PMP
 - Website, Voter publication, Office Expenses – 45%**
** typical experience of local Leagues higher % will need supporting documentation
- See detail list of examples click [here](#)

Leagues organized at 501c3 only

- Around half of local Leagues have converted from 501c4 to 501c3
- Pros/Cons
 - All donations are tax-deductible
 - Streamlines deposit and expenditure process for local Leagues
 - Possibility of increasing donations and qualifying for grants
 - Discounts provided to 501c3 by certain vendors such as Paypal
 - Limits advocacy to 20% of total expenses
 - Requires local League to provide thank you letters for donations \$250 or more
- Important to continue reporting of advocacy efforts for organizations with revenue \$50K or more or assets over \$250,000
- Detail report on items to consider conversion– click [here](#)

Understanding Raffles

What is a RAFFLE?

- A raffle is a type of lottery in which prizes are awarded to people who pay for a chance to win. Each person enters the game of chance by submitting a detachable coupon or stub from the paper ticket purchased. Operating or conducting a raffle via the Internet is prohibited. However, the organization conducting the raffle may advertise the raffle on the Internet.

Raffle v. Opportunity Drawing v. Silent Auction

State raffle rules and other things that all treasurers should know.

- a California nonprofit organization must register with the Attorney General's Registry of Charitable Trusts before the raffle and must also file an aggregate financial disclosure report for all raffles held during the reporting year. This must be done annually.
 - An organization must file the raffle registration form at least 60 days before the scheduled date of the raffle (Registration via [Form CT-NRP-1](#))
 - A report ([Form CT-NRP-2](#)) is required for all raffles held by the organization during the reporting year. The report must be filed with the Registry of Charitable Trusts at any time after the conclusion of a raffle, but no later than October 1 of each year for activities in the current registration period.

Are you collecting Sales Tax for your merch sales?

Nonprofits commonly conduct a variety of activities that are **considered sales**. These include (but are not limited to) the following:

- Sales of food, meals, beverages, and similar items under a number of different circumstances.
- Sales of tickets that buyers will exchange for food, beverages, or other physical products.
- Sales of booklets, books, pamphlets, and so forth.
- Sales of merchandise in Internet, live, and silent auctions.
- Sales of tickets for game booths where prizes are guaranteed to each ticket purchaser, even when the prizes have little value. Examples include white elephant, fish pond, grab bag, and “pitch-til-you-win” games.



Typical nontaxable activities by nonprofit organizations Nonprofits also carry out certain activities that are not considered sales for sales tax purposes. These activities generally are not subject to sales or use tax. Examples include:

- The gifting of merchandise for a true donation: an amount someone gives your organization without expecting to receive merchandise
- Sales of tickets for concerts, movies, plays, shows, and similar events when food and meals are not included in the ticket price.
- Sales of tickets for game booths and raffles when prizes are not guaranteed to every ticket purchaser.
- The sale of travel, home rentals, guide services, personal services, tutoring, and other things of value that are not physical products.
- Sales of gift cards, gift certificates, and coupon books.
- Membership drives and other fundraising activities

Should You Get in the Business of Sales?

Most nonprofits that make sales need seller's permits Nonprofit organizations generally need a seller's permit if they make sales of goods or merchandise in California.

- Requires annual or quarterly reporting and payments to the state

[Best reference guide for nonprofits considering sales](#)

Consider accepting DONATIONS for all merchandise

- Suggested donation for a t-shirt \$30 (cost to your league is \$20, donor can give anything above)
- Work with a printer that will set up a donation campaign for you. They are responsible for collecting all the funds, sales, tax, and shipping. Every quarter/year you get a donation check from the printer for the amount above all their costs



Finance Committee (State Example)

- Purpose – to oversight responsibilities relating to fiscal management.
- Suggested Primary functions:
 - Review and recommend approval of operating budget;
 - Regularly review financial results;
 - Oversee the management of financial assets
 - Review and evaluate internal controls and make recommendations.
- Suggested Composition of Committee and Length of Service
 - 3 off board, at least 2 on board
 - Serve no more than 6 consecutive years
- Timely/Accurate Financial Information
 - Review/advise reports to ensure committee/board has timely financial indicators
- Governance Procedures
 - Outline meeting times, materials provided to committee, and reporting out to Board

* Example see M-13 of [LWVC/LWVCEF Policies and Procedures](#)

Internal Controls

- Good internal controls ensure there are systems in place to guide behavior and actions through checks and balances.
 - One person does not get to execute the whole process – such as:
 - Buys, receives, pays for product
 - Receives mail, deposit checks, reconciles bank statement
- Areas where written policies to bolster internal controls
 - Job Descriptions
 - Conflict of Interest
 - List of individuals authorized to sign checks (recommend at least 3 individuals)
 - Use of League credit cards
 - Dollar limits when multiple signatures for checks are needed
 - Forms for check requests/expense reimbursements
 - Inventory Tracking (if League sells items)
 - Document destruction
- Good Practices
 - Justification, Review, Paper trail



Basecamp | Join the Conversation!

The screenshot shows the Basecamp web interface. At the top is a navigation bar with the Basecamp logo and links for Home, Pings, Hey!, Activity, My Stuff, and Find. Below this is the group header for "LWV California Treasurer's Group", which includes three profile icons and a button to "Add/remove people". The main content area is divided into three columns: "Message Board" with a link to "Community Rules & Code of Conduct", "Docs & Files" with two document thumbnails labeled "Treasurers Community" and "LWVC Treasurers Resources", and "Schedule" with a red calendar icon and text about setting dates on a shared schedule.



Resources

League of Women Voters of California

[How to Manage Money](#) - publication for Treasurers

[Government Filings | MyLO \(lww.org\)](#) – one page summary of filings

Other

[Attorney General's Guide for Charities: Best practices for nonprofits that operate or fundraise in California](#)

[Nonprofit Compliance Checklist - CalNonprofits](#)



Videos Resources

- [Board Roles and Expectations](#) 5 minutes
- [Statement of Activities](#) 2 minutes
- [Statement of Financial Position](#) 3 minutes
- [Budget](#) 3:30 minutes
- [Chart of Accounts](#) 4 minutes
- [Functional Expense Report](#) 2 minutes