Chapter Treasurers Training

Thursday, March 12, 2015
4:30 pm – 5:45 pm

Meg Hannan, PhD, RN, CPNP
NAPNAP Treasurer

Linda Young
Director of Finance
Objectives

• Provide instruction on the management of chapter affairs and events through individual treasurer’s leadership role

• Describe NAPNAP’s fundraising guidelines

• Review proper handling of chapter historical financial records

• Provide tools to assist with annual reporting

• Maintain a system of policies and procedures that impose an adequate level of control over treasury activities and chapter budget

• Review lobbying financial guidelines
Responsibilities of Chapter Treasurers

- Member of Executive Committee
- Serve as the custodian of the chapter’s funds
- Monitor finances of the chapter – revenue/expenses
- Maintain chapter’s bank account by performing monthly bank account reconciliations
- Maintain financial records and adhere to NAPNAP’s record retention policy
- Prepare financial reports to review at your chapter board & membership meetings
- Advise board on investment options available
- Review & understand the federal IRS guidelines governing a 501(c)(6)
- Responsible for maintaining your chapter treasurer handbook and ensure the book is passed onto the incoming Treasurer
Internal Controls for Chapter Treasurers

• Two signatures on checks over a certain amount [for example $1,000]

• All expenses need to be supported by an original receipt

• All expenses should be paid by check or credit cards, not debit cards

• All expenses and invoices should have the appropriate Chapter Officers approval

• If online banking is utilized – a limit should be placed on the number of users (ex. Treasurer and President)

• Annual review of the accounting books must be reviewed by either a CPA or a designated committee member

PLEASE NOTE: Treasurer does not take part in this annual review except to answer questions
Working with your Bank

- Bank account name **MUST** be consistent with the IRS submission and match IRS determination letter included in the treasurer handbook
  - For example - National Association of Pediatric Nurse Practitioners Hawaii Chapter **not** NAPNAP Hawaii Chapter

- New bank accounts require Employer Identification Number (EIN #)
- Notify the National Office when changing banks so NAPNAP can remit Chapter funds to the correct account. Please contact National if you need a copy of the form
- New bank resolutions and new signature cards are required when changing officers
Budgeting

• The budget is a tool to guide the officers of the chapters to predict revenue and control expenses

• The budget should be prepared prior to the start of the new fiscal year and approved by the Chapter’s Executive Board

• Previous years revenue/expenses (refer to previous year’s CH-9) can be utilized as a guide to assist with developing your budget

• Unexpected/unanticipated expenditures may occur in a given year. These expenditures should be reviewed and approved according to the Chapter’s approval policy
Chapter Financial Reports
Fiscal Year January 1 – December 31

• **CH 8:** Authorization for your chapter to be included under NAPNAP’s 501(c)(6) IRS tax status and to allow NAPNAP to file a 990N (tax return) on behalf of your chapter if applicable. Due **2/28**

• **CH 9:** Annual reporting of revenue/expenses in the fiscal year. Due **2/28**

• **End of year bank statement** (December statement). **Due 2/28**

• **Conflict of Interest form.** Due **6/1**

Forms should be sent to National Office by the due date to Daniela Weitzman dweitzman@napnap.org or via mail to:
5 Hanover Square, Suite 1401, NY, NY 10004 or via fax at 212-785-1713.

ALL FORMS ARE AVAILABLE ONLINE AT
www.napnap.org/formsandapplications
Chapter Officer Resources

Annual Reporting Forms

CH-8 & CH-9 Report to be filled out by Chapter Treasurer (Due February 28)

- CH-8: Authorization for your chapter to be included under NAPNAP's 501(c)(6) IRS tax status and to allow NAPNAP to file a 990N on behalf of your chapter if applicable.
- CH-9: Annual Chapter Financial Statement Form

CH-10 & CH-12 Report to be filled out by Outgoing Chapter President (Due June 1)

- CH-10: NAPNAP Chapter Officers List Form
- CH-12: NAPNAP Chapter Activities Form

Conflict of interest Form to be filled out by ALL chapter officers (Due June 1)

Webinars, Presentations and Informational Documents

- NAPNAP Fundraising Guideline
- Website Hosting Form: NAPNAP is pleased to report that website hosting is available through NAPNAP. If your chapter is in need of a new website, NAPNAP has the tools to help you create one. NAPNAP will create and host the site and the webmaster will be responsible for updating and maintaining it. There is no initial cost to set up the website; however this could change due to volume and the amount of web space needed on the server. If you would like to begin hosting your website through NAPNAP's website please fill out the Website Hosting Form.

Chapter Awards

Chapter Growth Awards

These awards recognize chapters with the largest percent increase in NAPNAP membership. Winners are determined based on chapter annual reports and are confirmed by the Chapters' Chair and national office staff.

Outstanding Chapter Awards
CH-8: Authorization for your chapter to be included under NAPNAP’s 501(c)(6) IRS tax status and to allow NAPNAP to file a 990N on behalf of your chapter if applicable. **Please note:** this form must be signed by current officers and forwarded to the national office by February 28th via email to dweitzman@napnap.org or fax to (212) 785-1713.

**Electronic Filers:** If approved by your executive board only one signature will be required from your officers. This form is due to NAPNAP National Office by February 28.

CHAPTER NAME: __________________________________________________________

EMAIL of person submitting the form: __________________________________________

FEDERAL EMPLOYER I.D. NUMBER: __________________________________________

SIGNATURE:  __________________________________________________________

SIGNATURE:  __________________________________________________________
# Sample CH-9 Report

National Association of Pediatric Nurse Practitioners  
Annual Report of Revenue and Expenses (CH-9)  
For Year Ended December 31, ________

## Chapter Name

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<td>1000.00</td>
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## Revenue:
- Membership Dues
- Education/Monthly Meetings
- Advertising Sold
- Fundraising
- Grants / Sponsorships
- Other

## Expenses:
- Travel & Expenses Accounts
- Education/Monthly Meetings - Venue
- Education/Monthly Meetings - Food & Beverage
- Newsletter Costs
- Fundraising Costs
- Paid Advertising
- Paper, Printing, Copy
- Postage
- Telephone
- Donations
- Legal Fees
- Lobbying
- Other
- Website

## Total Revenue: 600.00
## Total Expenses: 140.00
## Net Increase (Decrease): 460.00

Note: I have reviewed the above revenue and expense numbers and to the best of my knowledge they are true and correct.

Name: ________________________
Date: ________________________

Please include a copy of your December 31, 2013 Bank Statement when sending this form to the National Office.
IRS Requirements

• Chapters’ State tax
  a) Check with your accountant for individual state requirements
  b) Must adhere to non-profit guidelines
    - For sale of goods/services
    - Any other necessary tax reporting

• Contributions or gifts to the chapters are **NOT** tax deductible

• Please contact your accountant for any specific IRS questions
IRS Reporting

- NAPNAP includes the chapters in their annual filing of the group exemption
- Any chapter that **exceeds $50K/year** of revenue must file a form 990 or 990 EZ separately with the IRS by May 15 after the end of your fiscal year—**check with your accountant**
  - National office will notify the chapter if they need to file a 990EZ or 990 tax return
  - If a chapter submits a form 990 or 990 EZ a copy of your tax return must be sent to NAPNAP’s National Office ATT: Finance department
- Any chapter that earns **$50K or less** per year in revenue – NAPNAP will file a 990N (e-postcard) on your behalf
UBIT: Unrelated Business Income Tax

- Any Unrelated Business Income that is generated by the chapter may be subjected to income tax.

  - Ex. Paid advertisement from a food chain in a program book/newsletter would be considered unrelated business income – a tax payment may be required

- Seek advice from your accountant
Sponsorship

- Educational grants may be received to decrease cost of a conference but not for an individual’s use (these are restricted funds and may only be used for purposes specified in the grant)

- Must be educational in nature not entertainment

- Grant applications over $1,000 must be pre-authorized by the national office for conflict of interest
Fundraising

- **ALL** Chapters of NAPNAP are classified under NAPNAP’s umbrella of a 501(c)(6) organization which is **NOT** a tax exempt organization

- Chapters are **NOT** a 501 (c)(3) charitable organization which is tax exempt
- Chapters are not permitted to use the National Office tax ID number under any circumstance! They should use the individual Chapter tax ID
- Gifts to the chapters are not tax deductible
- If the chapter receives donations, these donations must be used for their intended purpose and the donor must be acknowledged (via thank you letter) and detailed records need to be maintained according to the IRS guidelines
Conference Guidelines

If your chapter hires a conference/event planner to act as your consultant to facilitate the conference, please use the below guidelines:

• ALL payments received should be deposited into your chapter’s bank account whether it’s a check and/or credit card (PayPal).

✓ The conference planner MUST submit detailed documentation for money collected on behalf of the chapter. Documentation should include, but is not limited to: name, address, method of payment, check number, credit card number and deposit date. This information can be provided at the end of the each month to reconcile the bank statements and ensure that all deposits have been received.

• All conference expenses should be paid from the same chapter bank account. Vendor invoices should be addressed to your chapter.

• The conference planner should invoice the chapter for any commissions that are due per the signed contract.

• All conference revenue/expenses should be included on your Annual CH-9 report.
Chapter Maintenance

Verify your Chapter Remittance Report on a monthly basis against your bank account to ensure that you received the funds that were transferred by NAPNAP
Member Reports

Log onto napnap.org and scroll your mouse over “My Account”

Click here to receive your monthly Chapter Remittance Report and chapter roster
# Chapter Membership Totals

<table>
<thead>
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<th># of Members</th>
<th>Chapter</th>
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Permanent Files are maintained by current Treasurer then passed to the next Treasurer

• Copy of IRS letter that shows the chapter tax ID number

• Chapter affiliation agreement

• Chapter Bylaws

• Chapter meeting minutes

• Bank account information

• Year end revenue and expense (CH-9) reports that were submitted to the National office

• Audit reports
Permanent Files Continued....

Recommended Files to keep:

- Chapter webinar
- Important documents that pertain to chapter treasury
- Approved chapter budget
- Report of all membership for fiscal year
RETENTION OF BUSINESS RECORDS

There have been many inquiries as to what records must be retained and for how long. Retention of business records are required by the Uniform Commercial Code, the Internal Revenue Code and the Employee Retirement Income Security Act. There may be other regulatory agencies that have special requirements and these must be considered as well.

The following business record retention schedule is only a guide and should be modified wherever needed. If you are considering disposing of any items in the first two categories you should contact us prior to disposing of those documents.

Permanent Records

Cancelled checks for taxes, purchases of property, special contracts, etc. (checks should be filed with the papers pertaining to the underlying transaction).

Capital stock and bond records: ledger, transfer registers, stubs showing issues, record of interest coupons, options, etc.

Cash books

Chart of Accounts

Correspondence (legal and important matters)

Deeds, mortgages, and bills of sale, as well as contracts and leases

Financial statements - end of year (other months optional) including audit reports of Certified Public Accountants

General ledgers

Insurance records, current accident reports, claims policies
Journals

Minute books of Board of Directors meetings

Certificate of Incorporation, Constitution and By-Laws.

Property records - including appraisals, costs, depreciation reserves, and end-of-year trial balances, depreciation schedules, blueprints and plans and computational records related to the above areas

Tax exemption determinations from Federal, State and Local agencies

Tax returns and worksheets, Revenue Agents' Report and other documents relating to determination of income tax liability

**Six to Seven Years**

Accident reports and claims (settled cases)

Accounts payable / voucher register

Accounts receivable ledgers and trial balances

Bank statements, including bank reconciliations

Cancelled checks (see exception under Permanent Records)

Cash receipts and disbursement records

Contracts and leases (expired)

Employee Personnel records after termination (if a retirement plan was in effect, regardless if employee was a plan participant); (if employee was a participant in a pension plan, consult your plan advisor)

Expense analyses and expense distribution schedules

Inventory records
Purchase orders (purchasing department copy)

Employee time records

Voucher register and trial balances

Vouchers for payments to vendors, employees, etc. (includes allowances and reimbursement of employees, officers, etc., for travel and entertainment expenses)

**Three to Four Years**

Duplicate deposit tickets

Employee personnel records after termination (see exception under Six to Seven Years)

Employment applications

General correspondence

Grant applications

**Insurance policies which have expired**

Internal audit reports, including working papers (in some situations, longer retention periods may be desirable)

Petty cash vouchers

Sales records and summaries

Miscellaneous internal reports

**One Year or Less**

Correspondence of unimportant nature with vendors

Receiving sheets
Lobbying financial guidelines

- Lobbying expenditures are those paid or incurred by the organization/chapter for the purpose of attempting to influence legislation.
- 501(c) (6) organizations are required to inform members what portion of membership dues were used for lobbying activities. Members may not deduct these amounts as a professional or business expense on their tax return.
- If an organization does not inform its members, it will be subject to a proxy tax (generally 35 percent of its annual lobbying expenditures).
- Organizations are exempt from the notice provisions if in-house lobbying expenses are $2,000 or less annually. However, any amount of expenditures paid to outside lobbyists, lawyers or other organizations all outside of this exception; the total of these expenditures must be reported to members.
- An exempt organization must use a “reasonable” method to allocate those costs.
  - Example: If the organization has $100,000 of lobbying expenses and total expenses of $500,000; the organization may reasonably indicate that 20 percent ($100,000/$500,000) of the dues paid are not deductible.
Contact:

National Office Staff
Felicia Taylor, Director of Member Services
ftaylor@napnap.org

Linda Young, Director of Finance
lyoung@napnap.org

Daniela Weitzman, Chapter Services Manager
dweitzman@napnap.org

Meg Hannan, Treasurer
meghannan50@gmail.com
QUESTIONS?