



Finance Committee Peer Group Session – June 6, 2024

Creating Year-End Reports for Your Branch Board and Filing Government Reports

- ❖ Introductions
- ❖ Finance Survey April 30 – May 7
- ❖ Polling questions
- ❖ Why are the annual reports important?
- ❖ Deferred revenues
- ❖ Fundraising reporting and other government reporting
- ❖ Final year-end reports
- ❖ Q&A



Survey Questions & Response Categories - April 30-May 7			
#1	What is your most time-consuming activity?		
*	Reporting financial results	10	
*	Membership recording in HUB	10	
*	Government filings	3	
*	Accounting for branch fundraisers	2	
*	Dissolution of branch	1	
*	Maintaining branch database	1	
*	No response	3	
	Total	30	
#2	What gives you the most trouble to complete?		
*	Membership recording in HUB		10
*	Government filings		6
*	Accounting for branch fundraisers		4
*	Branch budgeting		3
*	Reporting financial results		3
*	Getting answers from National		2
*	No troubles		2
	Total		30
#3	What are you curious about?		
*	Navigating the AAUW CA website	11	
*	1099 filing requirements - when are they needed?	7	
*	Membership, HUB and National reports, reconciling memberships, dues accounting.	4	
*	State and other filing requirements.	3	
*	Converting to 501(c)3 status	2	
*	SPF process	1	
*	Dissolution forms and process	1	
*	Finding missing documents	1	
*	none	1	
	Total	31	
#4	Most important topic for Peer Group sessions?		
	Government filings/reporting		7
	Fundraising, reporting, filings, taking credit cards		6
	Membership, use of HUB & its complexity, dues reporting without HUB, HUB use by members		4
	Branch reporting, recording dues, use of spreadsheets		4
	Current challenges		1
	Keeping the branch going		1
	Website is cumbersome		1
	Getting answers/results from National		1
	N/A - nothing		5
	Total		30



- Do you record deferred dues revenues?
 - Yes
 - No
 - What is deferred dues revenue?
- Which 990 form do you file for your branch?
 - We request National to file the 990 N for our branch.
 - We file the 990 N directly
 - We file the 990 EZ
 - We file the 990
- Are your total branch fundraiser revenues over \$15,000?
 - Yes
 - No
- Will your branch have a new Finance Officer in the new fiscal year?
 - Yes
 - No



Why Are Annual Reports Important and Useful?

- They provide information for making decisions about the final budget for the upcoming fiscal year.
- They are used to capture the information to measure the revenues and expenditures of branch activities and branch fundraisers.
- They are used to capture the information that needs to be filed in government reports due in the Fall.
- They document the financial history of your branch.
- They are required!



Deferred Revenues

- What are you trying to accomplish with the branch revenue recognition procedure?
 - Match dues revenues to the applicable fiscal year.
 - Use a method that is simple to apply, based on when the bulk of dues revenues are received in the current fiscal year for the current and following fiscal years.
 - Consistent application should result in materially correct revenue recognition, as long as the the flow of revenues does not change significantly.
- How do you recognize dues revenues now that there is no fixed membership period?
 - Do you now need to look at each dues payment and spread it over each individual member's membership year? Way too complicated for now! The bulk of membership dues comes in the traditional time-period.
- How does AAUW CA recognize dues revenues?
 - Dues received for the months up to March are treated as current fiscal year dues. The receipts for January-March are a small percentage (<5%) of total annual revenues.
 - Thereafter, dues received are recorded as deferred revenue to be recognized in the following fiscal year. Towards the end of the fiscal year, the receipts increase and will fall primarily in the following fiscal year.
 - If the timing of members renewals changes over time, the revenue recognition method would need to change too.



- Fund Raising Events – “Special Events”
 - Components - dinner for 50 guests

Element	Amount	Notes	Total
Cost to Attend	\$225 each	50 participants	\$11,750
Fund Raising Expenses	\$5000 catering and set up – donated Wine - \$500		\$5500
Fair Market Value rec'd by participants	\$110	Total expense divided by participants	
Deductible Contribution (for 501(c)(3) orgs)	\$115 per participant	Amount paid less fair market value	
Total Contributions		Participant share plus wine	\$6250



- **Reminder – Government Filing Requirements**
 - **Federal – 990 N, 990 EZ (income \$50k to \$200K) or 990 - Due Nov 15**
 - 990 N can be filed by AAUW National – use HUB to request by October 15
 - 1099 – more on this in fall peer group recording – most are due Jan 31
 - **California – Due November 15**
 - 199N – 199 (income over \$50K) – Non-profit report
 - CT-TR-1 – Charitable Trusts Treasurer Report
 - RRF 1 – Registry Renewal Fee Form
 - Statement of Information (every 2 years for incorporated branches)
 - Raffle Report if applicable – Due Feb 1 for prior year



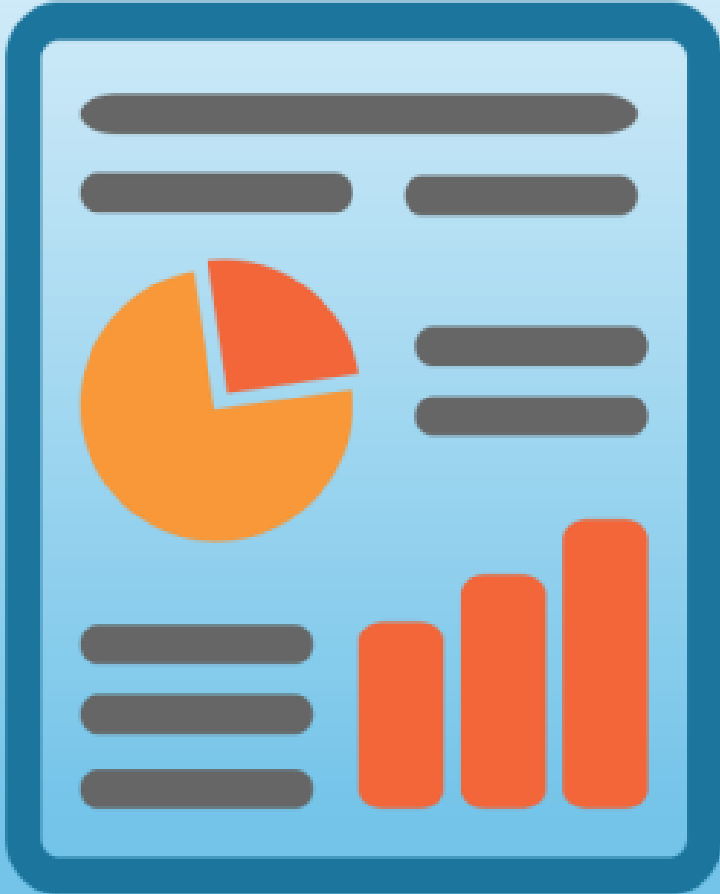
- New filing requirements
 - If branch files a 990 EZ because total income is over \$50,000 and Fund-Raising gross income is over \$15,000, need to file Schedule G with a 990 EZ
 - California Statement of Information – SI – 100 – file on-line only – every two years. Payment can be made on-line as well.
 - Update the SI-100 if information changes between regular filings, such as the primary contact person. There is no charge for this type of filing.



- Membership renewal on HUB – message from AAUW National:
 - Some AAUW member leaders have encountered a problem at the checkout point when processing membership.
 - If you encounter an error message at checkout while processing dues and/or donations, please follow the instructions below to report the issue and get immediate help:
 - Do not make multiple attempts to pay the transaction.
 - Send an email to connect@aauw.org only with the subject line, CHECKOUT HELP to expedite your request.
 - In your email, provide the names of the members you are trying to process. Please specify any that are to receive the Shape the Future 50% off discount.
 - Briefly share the error message that you encounter to help National provide the best solution.
- National will send updates to member leaders in a dedicated email or through Membership Matters as updates become available.



Final Year-End Reports





Year-End Financial Reports Preparation

Prior to prepare the final reports, the following items must be reviewed and reconciled:

- + Incoming checks deposit status (Unrestricted & Restricted)
- + Outgoing checks to satisfy branch obligations (Unrestricted & Restricted)
- + Reconcile bank statements with the branch Financial records

Once the records are all reconciled, then the following reports will be prepared prior to final Fiscal Year closing:

- + Statement of Activity Report Actual to Budget
- + Statement of Financial Position
- + Funds Report

The final year-end revenues and expenses will be recorded in the applicable tax forms listed below:

Federal Filing

- + IRS Form 990-N If revenue is < \$50,000
- + IRS Form 990-EZ
- + IRS Form 990

CA State Filing

- + FTB 199-N (E-Postcard) if revenue is < \$50,000
- + FTB 199 if revenue is \geq \$50,000

CA Attorney General

- + RRF-1 & CT-TR-1



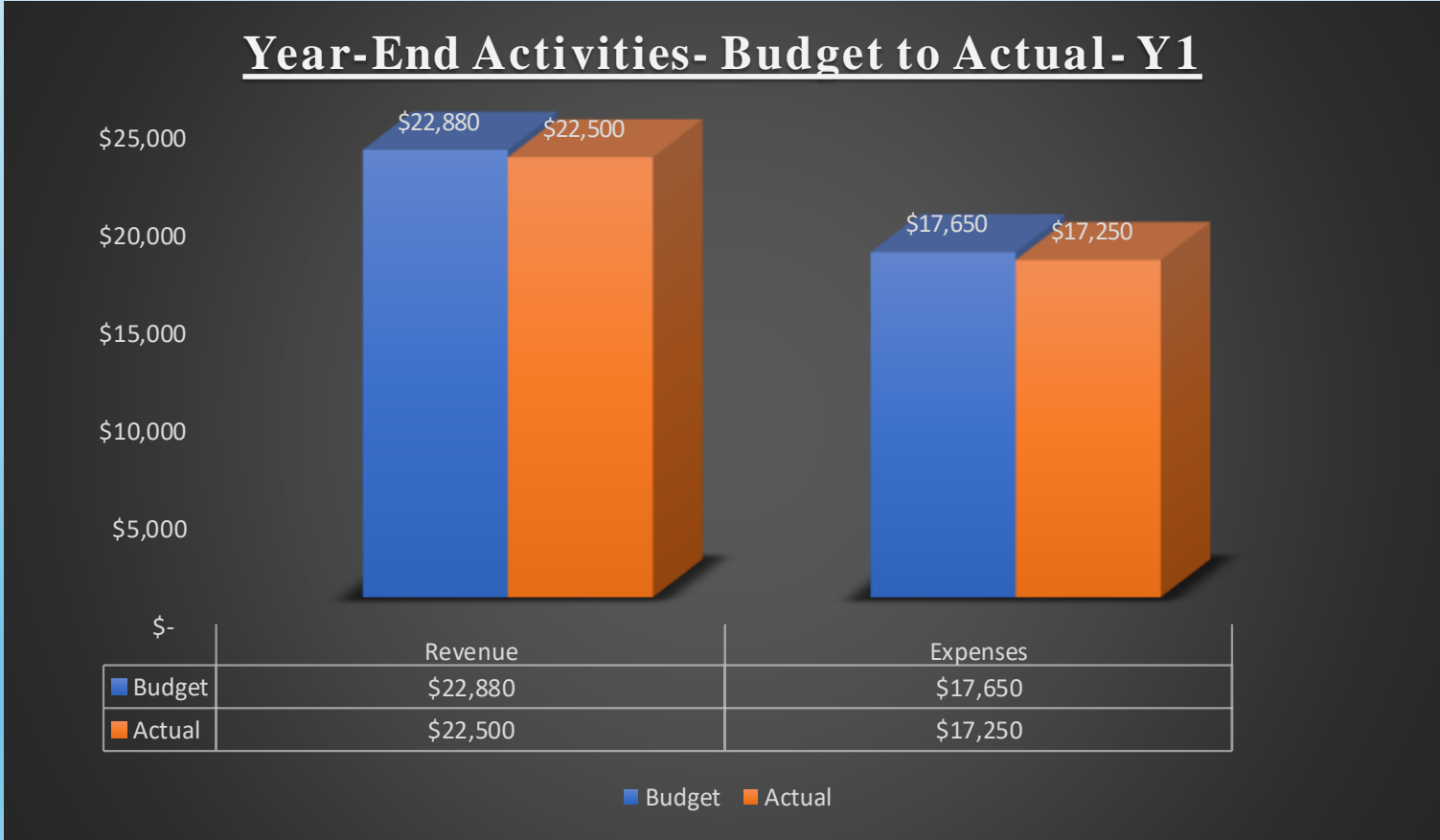
Year-End Statement of Activities Report

	Year 1	Budget	Over/(Under) Budget
Revenues:			
<i>Operating Income</i>			
Branch Dues Income	\$ 3,500.00	\$ 3,480.00	\$ 20.00
Member Event Income	\$ 3,000.00	\$ 3,200.00	\$ (200.00)
Contributions	\$ 1,500.00	\$ 1,200.00	\$ 300.00
Total Operating Income:	\$ 8,000.00	\$ 7,880.00	\$ 120.00
 <i>Project Income</i>			
<i>Fundraising Income</i>			
Tech Trek	\$ 12,000.00	\$ 12,000.00	\$ -
Local Scholarships	\$ 2,000.00	\$ 2,300.00	\$ (300.00)
Local Scholaships Raffle	\$ 500.00	\$ 700.00	\$ (200.00)
Total Fundraising Income:	\$ 14,500.00	\$ 15,000.00	\$ (500.00)
Total Revenues:	\$ 22,500.00	\$ 22,880.00	\$ (380.00)
 Expenses:			
<i>Operating Expenses</i>			
Member Event Expenses	\$ 2,700.00	\$ 2,500.00	\$ 200.00
Administrative Expense	\$ 150.00	\$ 200.00	\$ (50.00)
Directory Expense	\$ 400.00	\$ 450.00	\$ (50.00)
Total Operating Expenses:	\$ 3,250.00	\$ 3,150.00	\$ 100.00
 <i>Project Expenditures</i>			
<i>Fundraising Expenses</i>			
Tech Trek	\$ 2,000.00	\$ 2,500.00	\$ (500.00)
Local Scholarships	\$ 230.00	\$ 270.00	\$ (40.00)
Local Scholarships Raffle	\$ 20.00	\$ 30.00	\$ (10.00)
Funds Paid (net) Tech Trek	\$ 9,500.00	\$ 9,500.00	\$ -
Local Scholarships	\$ 2,250.00	\$ 2,200.00	\$ 50.00
Total Fundraising Expenses:	\$ 14,000.00	\$ 14,500.00	\$ (500.00)
Total Expenses:	\$ 17,250.00	\$ 17,650.00	\$ (400.00)
Excess Revenues Over Expenses:	\$ 5,250.00	\$ 5,230.00	\$ 20.00



Year-End Statement of Activities Report

Category	Revenue	Expenses
Budget	\$ 22,880	\$ 17,650
Actual	\$ 22,500	\$ 17,250





Year-End Funds Report for 501(c) (3)

	Internal	External	Total
<u>Tech Trek</u>			
Beginning Balance	\$ 500	\$ -	\$ 500
Member donations	\$ -	\$ -	\$ -
Fundraising Income	\$ 12,000	\$ -	\$ 12,000
Fundraising Expenses	\$ (2,000)	\$ -	\$ (2,000)
Camperships Funded	\$ (9,500)	\$ -	\$ (9,500)
Ending Balance	\$ 1,000	\$ -	\$ 1,000

<u>Local Scholarships</u>			
Beginning Balance	\$ -		\$ -
Member donations	\$ -		\$ -
Fundraising Income	\$ 2,500		\$ 2,500
Fundraising Expenses	\$ (250)		\$ (250)
Scholarships Funded	\$ (2,250)		\$ (2,250)
Ending Balance	\$ -	\$ -	\$ -

<u>Rules to Remember</u>	
<p>The donations are not tax deductible to the donors when the funds received by the branches with <u>501(c) (4) tax status</u></p>	<p>The donations are tax deductible to the donors when the funds received by the branches with <u>501(c) (3) tax status</u></p>
<p><u>Internal =</u> Money in the branch bank account</p> <p><u>External =</u> Money in an external fund account.</p> <p><u>Examples:</u></p> <ol style="list-style-type: none"> 1. Special Project Funds 2. AAUW Fund 	



Year-End Funds Report for 501(c) (4)

	Internal	External	Total
Tech Trek			
Beginning Balance	\$ 500	\$ -	\$ 500
Program Donations	\$ -	\$ 5,000	\$ 5,000
Fundraising Income	\$ 2,000	\$ -	\$ 2,000
Fundraising Expenses	\$ (700)	\$ -	\$ (700)
Camperships Funded	\$ (1,300)		\$ (1,300)
Ending Balance	\$ 500	\$ 5,000	\$ 5,500

Not Tax deductible to donors

AAUW Funds			
Beginning Balance	\$ -		\$ -
Member donations	\$ -	\$ 6,000	\$ 6,000
Ending Balance	\$ -	\$ 6,000	\$ 6,000

<u>Rules to Remember</u>		<u>Internal =</u>
<p>The donations are not tax deductible to the donors when the funds received by the branches with <u>501(c) (4) tax status</u></p>	<p>The donations are tax deductible to the donors when the funds received by the branches with <u>501(c) (3) tax status</u></p>	<p>Money in the branch bank account</p> <p><u>External =</u></p> <p>Money in an external fund account.</p> <p>Examples:</p> <ol style="list-style-type: none"> 1. Special Project Funds 2. AAUW Fund



Year-End Financial Position Report

	Year 1 Begin	Year 1 End	Change
Assets:			
<i>Current Assets</i>			
Checking Account	\$ 8,000.00	\$ 14,000.00	\$ 6,000.00
Savings Account	\$ 4,500.00	\$ 4,500.00	\$ -
Total Cash Available:	\$ 12,500.00	\$ 18,500.00	\$ 6,000.00
<i>Prepaid Expenses</i>			
Venue Deposit	\$ 1,500.00	\$ 1,700.00	\$ 200.00
Total Current Assets:	\$ 14,000.00	\$ 20,200.00	\$ 6,200.00
Liabilities:			
<i>Current Liabilities</i>			
AAUW CA Dues	\$ -	\$ -	
AAUW National Dues	\$ -	\$ -	
AAUW National Donations	\$ -	\$ -	
<i>Deferred Income</i>			
Deferred Branch Dues Income	\$ 2,000.00	\$ 2,950.00	\$ 950.00
Total Liabilities:	\$ 2,000.00	\$ 2,950.00	\$ 950.00
Net Assets:			
<i>Restricted:</i>			
Tech Trek	\$ 500.00	\$ 1,000.00	\$ 500.00
Local Scholarships	\$ -	\$ -	
AAUW National	\$ -	\$ -	
Restricted Total:	\$ 500.00	\$ 1,000.00	\$ 500.00
<i>Unrestricted:</i>			
Unrestricted Net Assets	\$11,500.00	\$ 16,250.00	\$ 4,750.00
Total Net Assets	\$12,000.00	\$ 17,250.00	\$ 5,250.00
Total Liabilities and Net Assets	\$14,000.00	\$ 20,200.00	\$ 6,200.00

Cash Reconciliation	
Beginning Balance	8,000
Plus: Total Net Assets	5,250
Minus: Prepaid Venue Deposit	(200)
Plus: Deferred Dues Income	950
Ending Balance	14,000