

Best Practices and Resources for Club Treasurers

General information

The Rotary 7390 District Finance Committee can be and/or can help find a resource(s) for all treasurers and presidents at any time during the year for questions or help. Do not hesitate to reach out through Melissa Kopp-Smith at the district office for more information.

Topics

Federal and State Tax filings:

Federal 990 Long or short form? How, When, Where? Pennsylvania Bureau of Corporations and Charitable Organizations (**BCO**) filing - usually same timing as 990 filing? Could be prepared internally but it would be recommended to have an accounting firm or qualified tax professional file all relevant federal and state forms. Filing deadline is usually 4 ½ months after the club's fiscal year end with an extension to 7 ½ months and a second extension to 10 ½ months after the club's fiscal year end.

Best practices

- Voluntary filing: You can always choose to file the longer Form 990 even if you qualify for the 990-EZ. Some organizations do this for consistency or to provide greater financial transparency to the public.
- Consistency: If your organization's gross receipts frequently fluctuate above and below the 990-EZ threshold (Gross receipts less than \$200,000 AND Total assets less than \$500,000), it may be easier to file the full Form 990 consistently each year.
- Electronic filing: Since 2019, most exempt organizations are required to file their Form 990 and 990-EZ electronically.

Club Budget:

Clubs should have a budget prepared by the treasurer and president for approval by the board (and possibly club depending on the club's by-laws) no later than the first meeting of June each year. A model club budget can be found on the district website in the President's resources section. <https://www.rotary7390.org/>

Signature authority - Best Practices.

When possible, a club should consider creating a policy requiring 2 signatures for all checks written over \$250.00 (or 2 approvals if payments are made via ACH/EFT) or some dollar amount that makes sense in your club's situation. The point is to have and follow a policy that is contemplated and agreed upon by the board of directors. Those signatures could be that of the treasurer and the president, or other executive board member designated by the board annually.

Monthly Reporting

Monthly Financial statements should be prepared promptly and presented to the board for review at each monthly meeting for review and approval. Documents given to the board monthly should include YTD vs Budget P&L, Balance Sheet and any other relevant financial information deemed appropriate such as Bank Statements.

Audit for the Club's Finances

Create and codify rules around an audit or review of the financials on an annual basis.

These rules should address questions such as:

- Should one be done?
- What type of service - audit or review?
- Who should perform this service - external service provider or internal club members?
- Would an internal audit or review suffice?

The district recommends a minimum of an internal review annually and periodic external reviews. Periodic board review of state and federal law relative to annual revenue and audit/review requirements.

Here is a link to the Council of Non-Profits page offering more information.

<https://www.councilofnonprofits.org/running-nonprofit/nonprofit-audit-guide/does-your-nonprofit-need-have-independent-audit>

Here is a link to the PA Department of State page for your easy reference.

<https://www.pa.gov/agencies/dos/programs/charities/information-for-charities/-charitable-organizations#:~:text=If%20your%20organization%20is%20soliciting,must%20file%20audited%20financial%20statements.>

Strategic Planning - Best Practice

Annually in May hold a board meeting (including also any members that wish to participate) that thinks through the next 3 to 5 years of vision and mission for the club. Specifically, they will want to identify projects and events and other operating costs that may change in some way (think meeting venue/food costs, equipment / technology or other items that may impact dues) that will drive costs within the budget for the club. After this planned meeting, the budget committee can pull together a budget for presentation to the board (and club) in early June.

More Information Regarding Dues and Insurances

Click this link <https://www.rotary7390.org/page/rotary-dues> to go to our district website for more information on dues breakdown, timing of payments and other related topics.

Rotary International Club Treasurer Training

<https://rotary7780.org/50088/Page/Show?ClassCode=Page&Slug=club-treasurer-s-training-and-reference-page>

Disclaimer: This document is for reference and guidance only. Clubs should seek professional advice on their specific needs and requirements relative to the law.