

ROTARY DISTRICT 7475
District Training
May 7, 2024

Club Treasurer Responsibilities
Financial and Risk Management

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RESPONSIBILITIES

Collection and payment of funds

- Member billing
- Cash/checks at weekly meetings
- Paying bills
- Rotary transactions
 - Semi-annual RI
 - \$39.25/half year Per Member
 - Magazine \$18 Annual
 - Insurance \$11.30 Annual
 - Council on Legislation \$1 Annual
 - Annual 7475 dues
 - \$50/year Per Member
 - \$250/Per Club PETS
 - Contributions to Rotary Foundation

Bookkeeping

- Maintaining effective chart of accounts
- Recording transactions
- Monthly bank reconciliations

Reporting

- Regularly for Club's leadership team – check club bylaws for frequency
 - Balance sheet
 - Income statement vs. budget
 - Supplemental schedules as needed (e.g., cash flow, receivables aging)
- Annually
 - Year-in-review for Club's membership
 - Required government filings

Financial Leadership

- Budgeting – allocating Club's resources
- Policies & procedures
- Financial trends and issues within Club

Good reference document

- Rotary’s “Club Treasurer’s Manual”
- http://www.rotary.org/RIdocuments/en_pdf/220en.pdf

THE TRANSITION FROM PRIOR TREASURER

Bank Account(s)

- Last monthly statement and reconciliation
- Update signatories
 - Suggest president, president-elect, Secretary and treasurer (confirm with bylaws)
 - Board resolution and bank forms
- Checkbook/check stock
- Online log-in names and passwords

Financial Statements

- Most recent balance sheet and income statement
- Current year (2023-2024) results vs. budget
- Next year’s budget
- Any outstanding bills and commitments not reflected in financials?
- Any problem areas (e.g., delinquent members)?

Primer on Books

- Cash or accrual basis
- Overview of chart of accounts
- Software used
 - QuickBooks (or similar) Avoid the online version (personal Bias)
 - Quicken (or simple checkbook)
 - Excel worksheets

Less Common Items

- Club credit card(s)
- Merchant services (accepting credit cards for payments)
- Update and transition like a bank account

May need to do some clean-up

May want to do some reorganization

ORGANIZATIONAL MATTERS – typical club

- Organized as a corporation with:
 - Articles of incorporation
 - Bylaws
 - Board of directors

- Has 501(c)(4) status with IRS – civic organization not organized for profit but operated exclusively for the promotion of social welfare.
 - Exempt from income taxes (with certain exceptions)
 - Subject to sales tax on purchases
 - Frequently asked tax questions at:
http://www.rotary.org/ridocuments/en_pdf/rotary_clubs_irs_faq_en.pdf

- Annual government filings
 - Federal
 - Form 990 with IRS 4-1/2 months after fiscal year ends
 - Form 990-N 50K or Less
 - Form 990-EZ 200K or Less Income and \$500K or Less Assets
 - By November 15th for June 30th fiscal year
 - 990 version depends on income and assets

 - New Jersey
 - Renew charitable registration with NJ Division of Consumer Affairs by December 31st
 - CRI-200 Or CRI-300
 - Form depends on contributions received

FUNDRAISING

- Raffle license needed for public gaming (e.g., raffles, 50/50s, etc.)
 - Register with NJ Legalized Games of Chance Control Commission and renew biannually
 - http://www.state.nj.us/lps/ca/lgccc/lgc_registration.htm

- Will also need to register with the individual town where the gaming will be occurring
- Use good judgment – weekly club 50/50 vs. large annual raffle
- Reporting and withholding
 - Federal W-2G required when prize is (a) \$600 or more AND (b) at least 300 times the amount of the wager.
 - Prizes greater than \$5,000 subject to 28% federal withholding (current rate, subject to change)
 - Portion of any prize exceeding \$10,000 is subject to 3% NJ withholding (current interpretation and rate, subject to change)
 - Good reference document: IRS publication 3079 (“Tax Exempt Organizations and Gaming”)

CONTROLS AND BEST PRACTICES

Basic

- Bank account
 - Two signatures for checks >\$X
 - Monthly bank reconciliations
- Back up financial records
 - Flash drive or similar (onsite)
 - Online service (offsite)
- Timely and regular financial reporting to leadership team
- Documentation
 - Signed contracts (or documented agreements) for events and major expenditures
 - Detailed invoices or receipts for expense payments and reimbursements
- Avoid cash advances except for cash boxes needed for events and petty cash (if used)

Next Level

- Second person reconciles bank/credit card statements

- Quarterly review
 - Club member who is financially savvy.
 - Another board member or small group of knowledgeable members
- No Surprises
 - Anticipate risks before they happen
 - Bring problems to board's attention when they occur.

INSURANCE

- The difference between:
 - Indemnification – an agreement, often contained in a contract, whereby one party (indemnitor) protects the other party (indemnitee) against loss or damage suffered by the indemnitee.
 - Insurance – protection against claims for injury or damages due to accidents or negligence
- Insurance provided by Rotary International thru dues:
 - Directors & Officers (D&O) – coverage against lawsuits for illegal or unethical activities such as misuse of Club resources
 - General liability coverage – coverage against claims for bodily injury or property damage
- Useful Rotary insurance contacts:
 - Rotary International risk management
Julie Brzozowska
Risk Manager
847-424-5394 or insurance@rotary.org
 - Insurance broker
Rotary.hylant.com
Rotary@hylant.com

Username: Rotary@hylant.com
Password: Rotary1905
 - Information on website
 - Summary of Rotary's insurance programs

- Frequently asked questions
- Loss control guidelines
- Certificate of insurance instructions

UNDERSTAND YOUR CLUB’S BUSINESS MODEL

How does the Club generate and spend its cash?

	FUNDRAISING	OPERATIONS	SERVICE
Income	Rotary Kiwanis Street Fair Willing Hearts Weekly 50/50 Happy Sad Dollars Donations	Member Dues Member Meals Super Bowl Raffle	
Expenses	50/50 Payments Charitable Distributions Scholarships Fundraising Costs	RI & 7470 Dues Cost of Meals Administration Member Development & Recognition Publicity & Promotion	Cost of activities Youth initiatives <ul style="list-style-type: none"> • Interact • Rotaract

Does the Club have an effective chart of accounts?

- Function of size and sophistication of your Club
- Avoid lumping all income (all expenses) together without subcategories
- Think about how “pass through” transactions should be handled
 - Member giving to Rotary Foundation
 - Event registrations