

# WELCOME TO DISTRICT 12N CLUB TREASURER TRAINING

# OUTSIDE KNOWLEDGE

Must know how to balance a checking account

While not totally necessary, familiarity with double entry accounting is very helpful

# ACCOUNTING TOOLS & SYSTEMS

Ledger, pencil and calculators

Microsoft EXCEL or open architecture ledger program

Quicken

Quick Books (or other Accounting program)

# Calender

Lions Clubs are on a fiscal year

July 1 to June 30

Federal Tax Return due date November 15

Example: this year ends June 30, 2020

Tax year is 2019 – Federal Return Due  
November 15, 2020

# Managing Separate Administrative & Activity Bank Accounts

# Administrative Account

Managing Funds involving club members functions such as dues, club supplies, etc.

- Deposit funds received from members such as dues, entrance fees, possibly meal receipts
- Disburse funds on behalf of membership such as LCI dues, District & State dues, meals, etc.
- Help set dues levels
- Help set administrative budget (may be in conjunctive with a Finance Committee)

# Member Dues

The dues your members pay must be set high enough to cover the following:

- Lions Clubs International dues
- State & District dues
- Any additional funds necessary for operating the club such as meals and supplies

# Member Dues

**LCI dues:** currently \$43.00 per year, payable semi-annually

There is a credit available to members of the same family living at the same address who are members of the same club. One member pays the full amount and subsequent members pay one half dues. Example: Husband and wife members of the same club pay \$64.50 annually. Full time students under the age of 30 pay \$0 LCI dues.

Currently LCI drops an email to Treasurers monthly reminding them to check MYLCI for invoices. There is a good discussion on how to access this in the Treasurer E-Book.



# Member Dues

**LCI dues:** continued

LCI bills clubs on membership counts at June 30 and December 31 every year. The semi-annual bills should be available in January and July.

Additionally, LCI prorates dues for partial periods inside the semi-annual window. There is a hyperlink inside the Treasurer E-Book to a calculation of the prorated charges.

Finally, LCI collects a \$35 administrative fee on each new member reported. The treasurer should collect this from any person joining the club.

# Member Dues

**State & District dues:** currently \$20.60 per year, payable semi-annually

There is no credit available to members of the same family living at the same address who are members of the same club. Full time students under the age of 30 pay \$12.60 dues per year.

State and District dues are calculated by the District Treasurer on Club June 30 and December 31 membership. Bills are render via email in July and January. There is no proration of dues nor is there any initiation fee.

# Federal Tax ID Number

Clubs can not open their Administrative bank account without a club Federal Tax ID number (frequently referred to as an Employer Identification Number or EIN). Furthermore, clubs are required to link their Administrative account EIN with the IRS and the LCI 501(c)4 IRS federal tax exemption. Each club is required to make an annual IRS Form 990N (commonly referred to as the 990 “postcard”) filing.

Every club in this District should already be doing this. If your club is not, contact either myself or the District Treasurer.



## Confirmation

[Home](#) | [Security Profile](#) | [Logout](#)

Your Form 990-N(e-Postcard) has been submitted to the IRS.

- **Organization Name:** INTERNATIONAL ASSOCIATION OF LIONS CLUBS
- **EIN:** 237391100
- **Tax Year:** 2018
- **Tax Year Start Date:** 07-01-2018
- **Tax Year End Date:** 06-30-2019
- **Submission ID:** 10085520191933065773
- **Filing Status Date:** 07-12-2019
- **Filing Status:** Accepted

[MANAGE FORM 990-N SUBMISSIONS](#)

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### Electronic Notice-Form 990-N (e-Postcard)

#### Organization Address and Principal Officer Information

Organization's legal name:

If your organization conducts business using another name (DBA), enter other name:

\* = required field

**Organization:**

DBA Name

FARRAGUT LIONS CLUB

DBA Name - continued

# IMPORTANT WARNING

If your club has not filed an IRS Form 990N on your Administrative operations in the last three years, YOU ARE IN VIOLATION OF THE FEDERAL LAW and SUBJECT TO LOSING OF YOUR INCOME TAX FREE STATUS and POTENTIALLY SUBJECT TO FINE

Contact myself or current District Treasurer Chuck Bailey or past District Treasurer Jim McFarland

QUESTIONS

# Activity Account

This should be a separate bank account from the Administrative account. The Activity Account is sometime referred to as the Benevolence account or the Charity Account.

All funds collected from the public should go into the account and all disbursements should benefit the public in some way.

# Activity Account

## Treasurer Functions

- Deposit funds received from general public such as direct donations and funds raised in special public events
- Disburse funds as benevolence grants, cost of raising funds and other areas of public benefit as directed by the Club
- Manage tax liabilities
- Help set activity budget (may be in conjunctive with a Finance Committee)



# Activity Account Single Level Club

Approximately half the clubs in District 12N fall into this category. These clubs have not established a separate charitable entity, such as a 501(c)3 non-profit, to handle their charitable operations. Their Activity bank accounts should have the same EIN as their Administrative bank account and therefore come under the LCI 501(c)4 designation. These clubs can not provide a charitable tax letter to any donor. Their 990N filing should comply with IRS tax filing requirements. A single level club must comply with the State of Tennessee solicitation act requirements

# Activity Account Two Level Club

The remaining clubs in District 12N have either established a separate IRS tax 501(c)3 entity or file aggregated federal taxes under a single umbrella (i.e. Smoky Mountain Lions Charities – SMLC). These clubs are able to provide tax letters to donors, in fact are required to provide tax letters for any individual donations of \$250 or more. These club's charity operating entity must file an IRS 990 tax form and must make a state charity filing. SMLC files all required forms in aggregate for all its members.

QUESTIONS

# Documentation Fund Disbursement

Only disburse funds that are included in a club approved budget or have been approved in a regular club meeting or have been approved by the Board of Directors

Get invoices, emails, documentary proof

Remember: Club and Board minutes are financial documents

# Documentation Fund Receipts

Maintain a list, by deposit, by account, of who gave what.

Include name, check number (or cash) and what the money was for. Suggest the attaching bank deposit receipt to this

For Two Level Clubs remember to get address information as you may need to send a tax contribution letter

# Documentation & Record Keeping

You should have some method for labeling your receipts and disbursements. You should be able to track these through both your check book and your record keeping system.

Suggest scanning all your records. Eventually you can get rid of financial documents and scans take up less space and virtual last forever

Note SMLC clubs – you are required to scan charity documents and send to corporate Treasurer annually

Normal record keeping is seven years

# Bonding & Signatures

Club Preference

Bonding the Treasurer

2 Signatures on a check

Changing Signatory Parties

Requirements depend on bank

Usually requires Club Minutes

# Club Reporting

This is an individual club preference

Suggest that at a minimum club members should know the balances in the checking accounts and any expected expenses yet to be paid

Club members frequently want to know the results of fund raising activities



QUESTIONS

FARRAGUT LIONS CLUB										
ADMINISTRATIVE ACCOUNT										
INCOME 2019-2020										
Date	Deposit #	Total	2018-2019 Dues	2019-2020 Dues	Entry Fee	Raffle	XMAS Party	Tail Twister	Charity	Other
07/29/2019	1	\$198.00		\$170.00		\$28.00				
09/04/2019	2	\$227.00		\$80.00		\$33.00				\$114.00 District Raffle
09/13/2019	3	\$85.50		\$67.50		\$18.00				
09/27/2019	4	\$28.00				\$28.00				
10/10/2019	5	\$22.00				\$22.00				
10/25/2019	6	\$15.00				\$15.00				
11/13/2019	7	\$16.00				\$16.00				
12/16/2019	8	\$36.55				\$25.00			\$11.55	
01/16/2020	9	\$48.00				\$46.00		\$2.00		
02/12/2020	10	\$20.00				\$20.00				
02/26/2020	11	\$35.00				\$26.00		\$9.00		
03/11/2020	12	\$23.00				\$23.00				
		\$0.00								
		\$754.05	\$0.00	\$317.50	\$0.00	\$300.00	\$0.00	\$11.00	\$11.55	\$114.00



FARRAGUT LIONS CLUB											
ADMINISTRATIVE ACCOUNT											
DISBURSEMENT 2019-2020											
Date	Payee	Check #	Total	LCI Dues 2019-2020	LCI Entry Fee	District Dues	Guest Meals	Supplies	Other	Awards	XMAS Party
07/25/2019	LCI	1103	\$645.00	\$645.00							
07/25/2019	District 12N	1104	\$350.20			\$350.20					
09/24/2019	Dave Crawford	1105	\$27.69				\$27.69				
11/12/2019	Kathy Burrow	1106	\$17.37				\$17.37				
12/09/2019	Kathy Burrow	1107	\$22.43								\$22.43
12/09/2019	Vicki Boswell	1108	\$31.99								\$31.99
12/16/2019	SMLC Farragut	1109	\$11.55						\$11.55		
12/30/2019	Jim Slyman	1110	\$74.80								\$74.80
01/20/2020	LCI	1111	\$548.25	\$548.25							
01/20/2020	District 12N	1112	\$298.70			\$298.70					
01/29/2020	Knox Vols Lions Club	1113	\$200.00							\$200.00	
02/14/2020	Brandon's Inc	1114	\$24.04					\$24.04			
02/26/2020	Dave Crawford	1115	\$8.72				\$8.72				
			\$0.00								
			\$2,260.74	\$1,193.25	\$0.00	\$648.90	\$53.78	\$24.04	\$11.55	\$200.00	\$129.22

name badges - Dyers



FARRAGUT LIONS CLUB		
ADMINISTRATIVE ACCOUNT		
BALANCE	2019-2020	
Balance 7/1/2019	\$3,250.88	<u>CHECK</u>
Receipts	\$1,534.05	
Disbursements	<u>\$2,260.74</u>	
Current Balance	\$2,524.19	(\$726.69)
<u>Receipts</u>		
Membership Dues (Net)	\$1,097.50	
Entry Fee	\$0.00	
50/50 Raffle	\$300.00	
Lipps Memorial	\$0.00	
Other	\$114.00	
Tail Twister	\$11.00	
Total Receipts	\$1,522.50	
<u>Disbursements</u>		
LCI Dues/Entry Fees	\$1,193.25	
District Dues	\$648.90	
Guest Meals	\$53.78	
Meeting Meals	\$0.00	
Badges	\$0.00	
XMAS Party	\$129.22	
Awards	\$200.00	
Miscellaneous	\$24.04	
Vests	\$0.00	
Total Disbursements	\$2,249.19	
<u>Net</u>	(\$726.69)	



QUESTIONS



# Sales Tax

Waiver – Level Two Clubs can apply for a Tennessee Sales Tax waiver. This is only applicable to Activity Fund operations. A club must complete the appropriate sales tax form, make a copy and file to copy with the vendor. Some vendors require the copy to file at a corporate office and provide some method to identify the purchaser as sales tax exempt. Purchases with sales tax exemption must be paid by club check or club credit card. The original of the sales tax waiver form remains with the club as documentation.

# Club Selling tangible item as fund raiser – can I become a vendor?

I am not a sales tax expert, but the short answer is **YES** - a club can be responsible for the collection of sales tax and the remittance of that collection to the state

There is no blanket exemptions for not-for-profit organizations in the state sales tax regulations

# General Types of Club Fund Raising

1. Donation to the club
2. Club holds an event – involves a charge for admittance or participation
3. Club holds a legal raffle (as designated by Tennessee state law)
4. Club sells some tangible item to public

# Section 67-6-330

## Amusement Tax Exemption

5(A) The sales price of admissions to amusement or recreational activities conducted, produce, or provided by: (ii) organizations with IRS determination of exemption pursuant to 26 U.S.C. 501(c)

This should cover both Level One & Level Two Lions Clubs for such activities as golf tournaments, car shows, pancake breakfasts, i.e. entry price to events. (Event sponsorship is a donation)

5(B) goes further in specifically list some types of events that are exempt from the collection of sales tax on admission

# Section 67-6-102(2)

## Sales of Tangible Items

Discussion of occasional and isolated sales

Sales by persons not engaged in business or do not regularly sell the type of property being sold

Also defined as sales during a temporary period of 30 days or less and occurring no more than twice a year

QUESTIONS?

Dave Crawford

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