

CARDS, Inc. Treasurer Information

CARDS Inc. is comprised of 24 different booster groups.

CARDS Inc. is a tax-exempt organization, the federal tax exemption excuses us from paying federal income tax on our organization's' net income, but the IRS rules require that we file the appropriate tax return.

CARDS Inc. Fiscal Year is July 1st – June 30th with taxes filed by November 15th.

The following information is required from all booster groups by **AUGUST 15th** so that taxes can be prepared:

- 1) Bank Statement that includes July 1st – beginning of the fiscal year
- 2) Bank Statement that includes June 30th – end of the fiscal year
- 3) List of Outstanding Checks – those written/accounted for during the fiscal year, but not cashed until July 1st or after (new fiscal year)
- 4) *Income and Expenses Report* for the fiscal year – a detailed listing of where your money comes from and how it is spent
- 5) Donations of \$5,000 or more during the fiscal year – provide the donor's name and address.

It is highly recommended to keep a ledger; spreadsheets are a wonderful way to track income and expenses. If questions arise during tax time, a spreadsheet can be provided to answer most questions.

Gross figures, not net figures, should be used for tax reporting. Example – On your *Income and Expenses Report*, if you sell candy bars, you should have an income (money from sales) and expense (cost of candy bars) recorded.

The amount of money in your bank account on July 1st, minus/plus the net income (difference reported on your *Income and Expenses Report*), should equal the amount of money in your bank account on June 30th. Every cent going in and out of your bank account must be reported on your *Income and Expenses Report*.

On the *Income and Expenses Report*, make sure to differentiate between attending a summer camp (with its corresponding income and expenses) vs. a fundraising summer camp you might provide to community youth.

On the *Income and Expenses Report*, if you have an "Other Expenses" category, it cannot exceed 10% of your total revenue/income – example: If your total income is \$10,000, your "other expenses" cannot be more than \$1,000.

The IRS has strict rules for tax-exempt organizations, NO INDIVIDUAL can benefit from fundraising activities. Example: only 2 of 10 members participate in a fundraising activity the booster group must give all 10 members an equal benefit from the fundraising activity. This also applies to donations; donations have to be for the group and not an individual.

If any person or entity donates \$250 or more during the calendar year (not fiscal year), then you must write a thank you note to the donor which includes the amount of the donation to CARDS, Inc. This is their record for their own personal income tax return.

Accounting Basics for the Booster Groups

- Save your records for at least 3 years
- Always pay with a check
- Always have a receipt and request for, to reimburse
- Raise money for a purpose and spend it for that purpose
- Use funds wisely. Remember that all persons signing on a booster group account are liable for the use and misuse of those funds.
- Never give a blank check with signature
- Deposit funds immediately, don't take home overnight
- Don't deposit booster funds in personal account
- Double signature on checks
- Have books audited at the close of the fiscal year by an auditor or audit committee