



Chapter Treasurers Handbook

AGA National Office and Finance and Budget Committee

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INTRODUCTION

Serving as chapter treasurer and managing the chapter's finances is a very important job. AGA's Finance and Budget Committee (FBC) and national office staff have developed this document to serve as a reference guide to support you. Additional resources and tools for chapter treasurers are also available on the AGA website located under the Treasurers/Finance & Budget section in Chapter Resources / Administration & Operations.

Each chapter should develop its own written procedures that meet its unique operational needs. If you determine, as treasurer, that your chapter doesn't have written procedures, please check with your National Council of Chapters (NCC) Area Director, other AGA chapters or the National office staff for samples of reference documents and other support.

There are standard practices and procedures that every chapter needs to be familiar with and abide by. This document is a review of necessary procedures and policies and incorporates best practices shared by members of our approximately 100 chapters. This handbook will serve as a living document that will continue to evolve as we work with you, the chapter treasurers.

We also welcome suggestions and input to continue to add to, and improve, the document for use by all chapter treasurers. If you have suggestions to provide, please contact chapters@agacgfm.org.

CHAPTER TREASURER ROLES AND RESPONSIBILITIES

The chapter treasurer holds the chapter funds in trust. The treasurer is responsible for keeping accurate financial records and to offer sound financial advice to the chapter board. The treasurer is also responsible for setting up the foundation for a successful chapter as well as maintaining a successful chapter. See the [Chapter Leadership Handbook](#) for general Treasurer duties.

The chapter treasurer should be aware of and pay attention to potential phishing scams. Phishing is a type of online identity theft that uses email and fraudulent websites that are designed to steal your personal data or information without your knowledge. Scammers have been known to steal credit card numbers, passwords, account data or other sensitive information.

Treasurers should proceed with caution and not hastily respond to requests for payment that appear to come from the chapter president or a vendor. Before making a payment that is requested via email or text message, call your event coordinator, chapter president or another chapter leader to make sure the payment request is valid before writing a check. Chapters have "lost" valuable funds by reacting to emails hurriedly and without proper research and/or verification.

Some important things to look for:

- Spelling and bad grammar
- Suspicious links in email
- Web addresses that resemble the names of well-known companies but are slightly altered.

We also suggest that you keep your security up to date by using security software you trust and ensuring that it is set up correctly and automatically.

OVERVIEW OF CHAPTER OPERATIONAL FINANCIAL PRACTICES

There are several stages of a lifecycle, specifically through the initiation of a new chapter through the closing of a chapter. This section provides an overview of steps that need to be taken by treasurers for:

- Establishment of a new chapter
- Ongoing activities for active chapters
- Steps to close out chapters.

Establishment of New Chapters

New AGA chapter treasurers (or chapter president if there is not a treasurer identified) need to complete a few fundamental actions to enable the chapter to operate as a legal entity, both separate from and as a component of AGA. To establish the chapter, the treasurer needs to do the following:

- 1) Obtain approval from AGA National to establish your chapter.
- 2) Establish chapter PO Box or mailing address.
- 3) Establish your chapter's articles of incorporation and bylaws.
- 4) Apply for an EIN number with IRS using form SS4 at <http://www.irs.gov/pub/irs-pdf/fss4.pdf>
- 5) Register and apply with appropriate state and local government for a 501(c) (3) tax-exempt status.
In many cases, this is accomplished through incorporation.
 - a. Incorporating is a relatively simple procedure that involves filing articles of incorporation or a certificate of incorporation with the secretary of state of your jurisdiction along with the applicable fee.
 - b. In addition to articles of incorporation, some states may require bylaws or other documents. Your state may require annual submissions of additional paperwork, such as annual reports, minutes from your annual meetings or payment of an annual fee to retain the incorporation status.
- 6) Open a chapter bank account.
- 7) Provide AGA National office staff with a copy of your chapter's ACH authorization form and canceled check.

Ongoing Activities for Active Chapters

To enable transfer of funds (such as chapter dues) from the AGA National Office, all chapters need to do the following:

- Provide AGA staff with a copy of your chapter's ACH authorization form and canceled check to enable distribution of funds to your chapter. The canceled check and ACH form should be sent to finance@agacgfm.org.
- Provide AGA staff with any changes in chapter treasurer and/or contact information. This information should be sent to chapters@agacgfm.org.

Steps to Closeout an Inactive Chapter

If the chapter leadership has determined a need to close the chapter, the treasurer and/or chapter president must coordinate this action with the AGA chapter services manager(s) and AGA's Office of Finance and Administration. A notification must also be made to the National Executive Committee before you can close the chapter. Information regarding bank accounts, post office addresses and any recent IRS filings need to be turned over to the AGA staff to ensure proper recording of the chapter's actions with the IRS.

Please contact chapters@agacgfm.org in this situation.

CHAPTER FINANCE

Tax Compliance

AGA is a tax-exempt organization under the **501(c)(3) Section of the Internal Revenue Code**. The tax determination letter was issued by the Internal Revenue Service (IRS) on April 25, 1983. You can find this document on the AGA website in the Treasurers/Finance & Budget section under Chapter Resources /Administration & Operations. The 501(c)(3) designation means that AGA is exempt from paying income taxes, but is still responsible for other taxes, such as state sales taxes, real estate taxes, property taxes, etc.

AGA chapters have responsibilities to remain in compliance with the IRS and state regulations. These responsibilities include maintaining the chapter's 501(c)(3) IRS tax-exempt status, submitting annual tax returns to the IRS (with the exception of Accounting Club chapters at universities), complying with state regulations, communicating issues timely to AGA leadership and responding timely to requests for information.

Failure to comply with the rules listed in this section will jeopardize the chapter's tax-exempt status.

Donations made to a 501(c)(3) organization are tax-deductible to the donor. Chapters are considered **subordinates** of the National Office as far as tax exemption is concerned. The Group Exemption Number (or GEN) is **3409**.

To be considered a subordinate to AGA National, your chapter, EIN, address and contact person must be included on a list that the AGA National Office submits to the IRS every year. A chapter appearing on this list is considered a tax-exempt organization by virtue of its relationship to the parent organization (National Office). The list of chapters currently included in the AGA National group exemption can be found on the AGA National website in the Treasurers/Finance & Budget section under Chapter Resources /Administration & Operations. To ensure that

your chapter is included, please submit your information to the [Office of Finance and Administration](#) when requested.

If your chapter has lost its tax-exempt status the chapter cannot be added to the group exemption until its tax-exempt status has been reinstated by the IRS.

As a tax-exempt organization, AGA chapters need to file either a 990N, 990EZ or a 990 annually. ***Failure to file the pertinent return will result in the revocation of the chapter's tax-exempt status.***

The type of tax return to file is based on the number of gross receipts your chapter receives annually. The form an organization must use to file generally depends on its financial activity, as indicated below:

All chapters whose annual gross receipts are \$50,000 or less must file form 990-N (e-Postcard). Form 990-N is due every year by the 15th day of the 5th month after the close of the chapter's program year. All chapters with gross receipts between \$50,001 and \$200,000 and total assets less than \$500,000 file form 990-EZ.

[Instructions on Filing Form 990-EZ.](#)

Chapters with gross receipts greater than or equal to \$200,000 or total assets greater than or equal to \$500,000 at the end of the tax year must file Form 990.

- [Instructions on Filing Form 990](#)
- Additional information on filing form 990 may be obtained at [IRS website](#).
- IRS Overview Course on Form 990 may be obtained at [Form 990 Overview Course](#).

Each chapter **must** do one of these three steps every year. The chapter must also file with its “state department of revenue and taxation, Secretary of State or other applicable entities” based on state requirements. The AGA chapter tax return needs to be filed with the IRS by the 15th day of the 5th month after the chapter's annual fiscal year-end. Chapters should try to complete their tax returns as soon after year-end, to avoid failing to file, which could happen when there's a transition in chapter leadership.

The chapter may also be required to register and file with its state department of revenue and taxation, Secretary of State, Comptroller's Office, or other applicable entities based on state requirements to maintain tax-exempt status at the state or local government level.

Please Note: Each chapter is responsible for complying with the rules and regulations dictated by the IRS and its state department of revenue and taxation.

Budgeting

The treasurer should work with the Chapter Executive Committee to formulate a budget that will support the objectives of the chapter prior to the beginning of the program year. The budget should identify the number and type of educational or networking events planned for the year, cost of these events, hotel or location expenses and speaker costs.

Accounting

Each chapter treasurer should select an accounting method that is appropriate for the size of the chapter. It can be as simple as a spreadsheet, with password protection and backup capabilities to enhance internal controls, or a more formal accounting system balancing cost versus benefit.

In addition, each chapter should:

- Develop and provide monthly reports to the Chapter Executive Committee (CEC)
- Perform regular (at least monthly) bank reconciliations.
- Ensure that the chapter's postal mailbox is checked regularly.

Annual Evaluation or Audit

Each chapter should have an annual evaluation or audit to ensure accurate accounting practices and appropriate internal controls. This evaluation or audit may be pro bono by one of your members (who is **not** involved in chapter operations to maintain independence) or contracted with an accounting firm. The scope of the evaluation or audit is dependent on the size and complexity of your programs. Ideally, the evaluation or audit should be completed before a new treasurer takes office so that the new officer has some assurance that all funds have been properly used and accounted for by the current treasurer.

INTERNAL CONTROLS

Internal controls are generally defined as written policies that describe the procedures the chapter will follow, as well as who is responsible. The goal of internal controls is to create business practices that serve as “checks and balances” to reduce the risk of misappropriation of funds and assets.

One of the most important measures to put in place is a separation of duties. Each chapter should develop a policy that includes oversight on the actions of the treasurer. Some recommendations of internal controls include:

- A policy that requires two signatures on a check. This business practice is designed to prevent one person from having sole authority for writing checks.
- Ensure that all money received is deposited into the organization's bank account within one to two days after an event.
- A policy requiring that employees may only be reimbursed for expenses that are approved in advance, in writing.
- A “segregation of duties” policy requiring that the person who logs in checks received in the mail is not the same person who is responsible for depositing checks and that bank reconciliation is done by two people.
- A periodic review by an objective person of the list of all vendors receiving fees and checks from the nonprofit.
- A policy to conduct a background check of employees who handle money.
- Internal controls not only protect the chapter's interests but can also protect the treasurer.

MISCELLANEOUS

There are additional finance-related activities required in the administration of an active chapter to enable management of chapter educational and networking events, specifically, these activities include:

- Safeguarding personally identifiable information (PII)
- Obtaining event insurance policy
- Debit and credit card usage
- Registration for events

Additional information on these areas can be found in the subsections that follow.

Safeguarding PII / BI

PII (Personally Identifiable Information) is any information that permits the identity of an individual to be directly or indirectly inferred, including any information which is linked or linkable to an individual. Some PII is not sensitive, such as information found on a business card, which does not require special handling. Other PII is sensitive PII, which if lost, compromised, or disclosed without authorization, could result in substantial harm, embarrassment, inconvenience, or unfairness to an individual. Examples of sensitive PII that a Chapter may receive during the conduct of normal business include members home addresses, birth dates, financial account numbers, and corporate sponsor financial account numbers. BI (Business Information) is less intrusive, but still may result in unauthorized disclosure.

Chapters are responsible for properly safeguarding all sensitive PII / BI received by the Chapter.

Obtaining Event Insurance Policy

Chapter/regional events are not covered under AGA National's master insurance policy. It is strongly recommended that the chapter secure event insurance for personal injury and property damage claims. Treasurers can obtain a separate policy from an insurance company.

Debit and Credit Card Usage

a. Processing Receipts

Chapters may elect to receive payments from vendors, sponsors, event attendees, or other third parties through a debit or credit card processing system. AGA National office does not process debit or credit card transactions for chapter or regional events. If your chapter determines that there is a need for debit or credit card processing due to the volume of transactions expected for the events, the dollar amounts associated with those transactions, or as a convenience to your audience, well-known processors are available. Please consider their expertise and security in processing credit or debit cards before signing an agreement.

b. Processing Payments

Chapters may elect to obtain a debit card to make payments to third parties for approved chapter expenses. The chapter should have policies and procedures in place to ensure that debit card purchases are conducted in accordance with the chapter guidelines. The chapter debit card should not be used for personal purchases, cash advances, or expenses not authorized by the CEC. Chapters should **not** have or use corporate credit cards.

Any affinity cards that render any form of consideration as a result of payments / expenses should have that consideration deposited into the Chapter's bank account if in the form of 'cash back.' If in the form of points or similar, only the Chapter may benefit from those points or similar under the direction of the CEC. If available, the CEC may choose to award such points or similar as part of the annual Chapter awards or as a scholarship to attend the Chapter PDT.

Registration for Events

There are several tools that chapters utilize to support event registration. If you would like to learn more about which platforms or registration sites to use, please reach out to your peer chapters or our meetings team at meetings@agacgfm.org.

NATIONAL OFFICE AND FINANCE AND BUDGET COMMITTEE POINTS OF CONTACT

AGA's Finance Department

Finance and Administration
finance@agacgfm.org

National Finance and Budget
Committee (FBC)
[AGA Finance and Budget
Committee Roster](#)

THANK YOU FROM AGA NATIONAL

We appreciate your service and the application of your expertise to the financial management of your chapter. The time, attention and seriousness regarding your responsibilities are appreciated by all members of your chapter and AGA leadership.

Please consider serving in a leadership role as an officer on a [National Committee](#) such as the Finance and Budget Committee or National Executive Committee.

Be sure to read Topics and Leadership Matters for the announcement for applications to be submitted to AGA's national committee chairs and Nominating Committee. Additional information is available on the [AGA Website](#).

Appendix A

AGA Finance and Budget Committee Chapter Tax Compliance Frequently Asked Questions

AGA chapters have a responsibility to comply with the Internal Revenue Service (IRS) and state regulations. These responsibilities include maintaining the chapter's 501(c)(3) IRS tax exempt status, submitting annual tax returns to the IRS, compliance with state regulations, communicating issues timely to AGA leadership, and responding timely to requests for information. The IRS website is an excellent source of information to assist chapters with fulfilling their responsibilities regarding tax compliance, filing annual tax returns, obtaining an Employer Identification Number (EIN), and getting chapter 501(c)(3) non-profit status reinstated if the status has been revoked.

Below please find a list of frequently asked questions to highlight the resources available and key information to help stay on track.

1. What type of non-profit is an AGA Chapter?

Answer: All AGA chapters are 501(c)(3) non-profit organizations unless their non-profit status has been revoked. A chapter's 501(c)(3) non-profit status will be automatically revoked by the IRS if the chapter does not file a tax return for three consecutive years. In some instances, the IRS has changed a chapter's status to a 501(c)(6) or 501(c)(4) based on an incorrect understanding of the primary source of chapter revenue-generating activities. As of FY 2017, all chapter status designations have been corrected back to 501(c)(3) in bulk. Be sure to be filing as a 501(c)(3) status from this point forward.

2. Does an AGA chapter need to file a tax return?

Answer: Yes, each AGA chapter needs to file a tax return each year with the IRS, except for Accounting Club chapters at universities. Accounting Club chapters at universities do not need to file a tax return.

3. What type of tax return needs to be filed by an AGA chapter?

Answer: AGA chapters need to file either a 990N, 990EZ, or a 990 annually. The type of tax return to file is based on the number of gross receipts your chapter receives annually. Which form an organization must file generally depends on its financial activity, as indicated in the chart below.

Status	Form to File	Instructions
Gross receipts normally $\leq$ \$50,000 Note: Organizations eligible to file the e-Postcard may choose to file a full return	990-N	www.irs.gov/charities-non-profits/annual-electronic-filing-requirement-for-small-exempt-organizations-form-990-n-e-postcard
Gross receipts $<$ \$200,000, and Total assets $<$ \$500,000	990-EZ OR 990	www.irs.gov/pub/irs-pdf/i990ez.pdf
Gross receipts $\geq$ \$200,000, or Total assets $\geq$ \$500,000	990	www.irs.gov/pub/irs-pdf/i990.pdf

4. When does the AGA chapter tax return need to be filed?

Answer: The AGA chapter tax return needs to be filed with the IRS by the 15th day of the 5th month after the chapter's annual fiscal year-end. Chapters should try to complete their tax returns as soon after year-end to avoid failing to file, which could happen when there is a transition in chapter leadership.

5. What happens if a chapter did not file a tax return by the 15th day of the 5th month after the chapter year-end?

Answer: The IRS may assess penalties or fines for not filing timely. Extensions for filing may be requested to avoid penalties. If a chapter fails to file a tax return (either 990N, 990EZ or 990) for three consecutive years the IRS will automatically revoke its 501(c)(3) status and the chapter will have to endure additional fees and paperwork to get reinstated as a 501(c)(3).

6. What is an EIN and does each AGA chapter need one?

Answer: An Employer Identification Number (EIN) is a unique number that identifies the organization to the IRS. To apply for an EIN, you should obtain Form SS-4 and its Instructions. You can apply for an EIN online, by mail, or by fax. Each chapter needs an EIN to file its tax return, except for Accounting Club chapters at universities.

Visit the following website to find out more information about EINs and how to obtain one for your chapter: www.irs.gov/charities-non-profits/employer-identification-number

7. Can chapters use AGA EIN?

Answer: No, each chapter needs its own EIN and cannot use the national office's EIN.

8. How can chapter leadership or others tell when the last tax return was filed for 990EZ filers?

Answer: If the chapter normally files a 990EZ, chapter leadership or anyone in the public can look up the last chapter tax return and when it was filed by logging into GuideStar (www.guidestar.org). To access GuideStar an account and password will need to be created. This can be done on the GuideStar website. Once you have an account and password, you can type in the chapter EIN (be sure to include the dash) and pull up the latest information on the chapter. Note, in some cases, GuideStar is not up to date and does not include the tax return. There could be several reasons for this such as a timing difference between when the chapter filed its tax return and when GuideStar posted the tax return to its website. Per GuideStar: "Posting Form 990 images is an ongoing process. GuideStar receives the 990s directly from the IRS. It takes approximately two months after an organization files its 990 with the IRS for the 990 to appear on GuideStar. However, if it has been longer than two months and the 990 is not listed on GuideStar, GuideStar may not have received it from the IRS. GuideStar encourages nonprofit organizations to post their most recent 990s themselves if GuideStar has not yet received the official version from the government."

AGA chapter leaders are encouraged to review GuideStar postings for their chapter and ensure their chapter tax return is posted to GuideStar each year.

9. How can chapter leadership or others tell when the last tax return was filed for 990N filers?

Answer: If the chapter normally files a 990N, chapter leadership or anyone in the public can look up the last chapter tax return at the following website: www.irs.gov/charities-non-profits/search-for-tax-exempt-organizations. After accessing the website click on the search box and type in the chapter EIN. Chapter treasurers and presidents are encouraged to check the website to ensure their chapter tax filing is up to date.

10. If the chapter's 501(c)(3) status has been revoked what are the steps to be reinstated as a 501(c)(3) non-profit organization?

Answer: If the chapter's 501(c)(3) status has been revoked the chapter will receive a letter from the IRS stating this. However, if the IRS does not have an accurate address for the chapter, the current chapter officers may not receive the letter. Organizations whose tax-exempt status was automatically revoked because they did not file required Form 990 series returns or notices for three consecutive years can apply for reinstatement of their tax-exempt status. To be reinstated a form and the tax returns for the last three years will need to be submitted to the IRS and additional fees may be involved. Visit the following website to find out more about your options for reinstatement, the forms, and instructions: www.irs.gov/charities-non-profits/charitable-organizations/automatic-revocation-how-to-have-your-tax-exempt-status-ret-roactively-reinstated.