

Non-Profit Organization Financial Forum

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Non-Profit Club Organization Financial Forum

Discussion Topics

Prepared by Dan Webster, Treasurer, Radnor Girls Crew Club

GOALS

1. **Transparency**
2. **Accountability**
3. **Accuracy**
4. **Balance**
5. **Ability**

PROCESS

6. **Recordkeeping**
 - a. Financial Records
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 - c. Calendar of Important Dates
 - d. Vehicle Registrations
 - e. Asset Inventory
7. **Cash Versus Check Transactions**
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11. **Financial Statements**
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12. **Chart of Accounts**

CONTROLS

13. **Financial Controls**
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 - b. Bank Reconciliations
 - c. Financial Statements
 - d. Bank Accounts
 - e. ATM and Credit Cards
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 - i. Dues Reconciliation
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TAXES

14. **Federal Recognition/Determination**
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 - a. Form 990-EZ (Return of Organization Exempt from Income Tax)
 - b. Form 1099-MISC and Form 1096
 - c. W-9s from Contractors
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16. **Tax Exemption**
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 - b. Bylaw Requirements (Dissolution Clause)
 - c. Pennsylvania Exemption Certificate

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MISCELLANEOUS

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- b. Written Acknowledgements/Thank Yous
- c. Board Member Involvement

18. Financial Aid

- a. Application
- b. Evaluation
- c. Selection
- d. Notification

19. Insurance

- a. Liability
- b. Officers & Directors
- c. Property
- d. Hired Auto

20. Governance

- a. Board of Directors
- b. Bylaws-describes how the organization is governed
- c. Board Composition
- d. Agendas, Decisions and Minutes
- e. Accountability/Board Evaluation
- f. Continuity and Transition

21. Resources

- a. Evaluations/How Are We Doing?
- b. GuideStar.org
- c. TechSoup.org
- d. The Internet

Financial Management Principles

Nonprofits have an obligation to act as responsible stewards in managing their financial resources. Nonprofits must comply with all legal financial requirements and adhere to sound accounting principles that ensure fiscal responsibility and build public trust. Nonprofits should use their financial resources to accomplish their missions in an effective, efficient manner and should establish clear policies and practices to regularly monitor how funds are used.

Fiscal Responsibility and Policies

1. A nonprofit has a responsibility to ensure that its assets are used solely for the benefit of the organization and not for personal or other gain.
2. Nonprofit board members should understand the organization's financial statements and annual tax filings well enough to ask questions that enable them to understand the financial condition of the organization.
3. The board of directors should review and approve an annual budget for the organization. While each board must determine the appropriate budget needed to achieve its organization's mission, various industry benchmarks provide target ranges of 65-80% of expenditures for programs and 20-35% for administration, fundraising, and evaluation. Also in "Governance"
4. A nonprofit should create and adopt a balanced budget on which its organizational activity is planned. In the event of a budget deficit, the board of directors should be made aware of this unexpected outcome and should participate fully in determining a plan to restore the budget to a balanced state.
5. A nonprofit should consider bequests, planned gifts, and pledges when determining the annual budget, but should not include these dollars in budgeting for program expenditures until the gift is actualized.
6. A nonprofit should establish and maintain a financial reserve that is equal to three to six months of operating expenses.
7. To the extent possible, given the size of the organization, a nonprofit should have in place appropriate internal controls and procedures to monitor and record assets received, held, and expended. A nonprofit should have a board-approved financial management policy that is periodically reviewed and updated.
8. A nonprofit that invests should have a board-approved investment policy that ensures responsible investment of funds in accordance with all legal requirements and that is periodically reviewed and updated.
9. A nonprofit should periodically assess its risks and purchase appropriate levels of insurance to manage its liability prudently. General liability coverage and Directors and Officers Liability Insurance are strongly recommended. A board-approved risk management policy should be developed and then reviewed and updated periodically.
10. A nonprofit should develop guidelines for use of funds donated by bequest for programs that are subsequently discontinued.
11. A nonprofit has legal and ethical obligations to expend donated funds responsibly and to ensure that funds are dispensed according to funders' wishes and requirements.
12. A nonprofit must have a system in place that allows individuals to report misconduct, without harmful consequence for doing so (commonly referred to as a "whistleblower policy"). Retaliation against whistleblowers or destruction of records related to a government investigation may be violations of federal law.
13. A nonprofit, with board approval and full knowledge of its legal obligations and liabilities, may undertake responsibility for fiscal sponsorship of another organization.

Financial Reporting

14. All nonprofits must annually file an appropriate Internal Revenue Service Form 990.
15. A nonprofit should generate accurate and relevant financial reports, which include the comparison of actual to budgeted revenue and expense and a year-to-year comparison that identifies and explains any significant variances. These reports should be provided to the board of directors for regular review and discussion, preferably no less than quarterly. The full board should monitor actual performance against the budget.

16. A nonprofit with annual total revenues in excess of \$500,000 should subject its financial reports to an annual audit by a certified public accountant. A nonprofit with revenues under this threshold or exempted by law should nevertheless consider conducting an outside review of its finances annually.
17. Nonprofits that conduct audits should consider establishing an audit committee that does not share members with the finance and/or executive committees. In any case, a committee or subcommittee of the board composed of independent directors should oversee the audit function. Every member of an audit committee should be able to read and understand an external audit or financial review report.
18. Financial audits and other financial reporting forms should be approved by the organization's board of directors and should be verified and certified by the organization's Chief Executive Officer and Chief Financial Officer to ensure they are accurate and filed in a timely manner. An organization under the \$500,000 threshold, however, should meet all requirements of federal, state, local, and/or private granting entities.
19. A nonprofit is required to make its annual tax returns and tax exemption documents available to the public.

Source: <http://www.mtnonprofit.org/content.aspx?id=2339>

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Financial Responsibility

Financial responsibility refers to understanding and applying financial concepts to supply management decisions to address allocation of funds, accurate reporting and management of risk.

In this context:

1. Become knowledgeable of, and comply with, applicable standards and requirements for all communities, locations and markets in which the organization conducts business. This includes safeguarding the privacy and security of customer data.
2. Apply sound financial practices and ensure transparency in financial dealings by implementing appropriate internal controls over accountability and governance for accurate financial reporting and financial disclosures.
3. Actively promote and practice responsible financial behavior throughout the supply chain by making financial and sustainable guidelines explicit in supplier agreements.

Source: <http://www.ism.ws/SR/content.cfm?ItemNumber=4763>

What Nonprofit Transparency Means to You: October Question of the Month Results (November 2006)

The October Question of the Month asked, "What does 'nonprofit transparency' mean to you?" The responses fell into two categories: (1) financial accountability and (2) openness about missions and programs.

Financial Accountability

Aimee LaBrake of the Tackle Marketing Group, which provides services to nonprofits, defined nonprofit transparency as "a clear view into where the donations/gifts given to the non-profit are distributed, as well as the overall costs of running the non-profit organization." Judith Tomlinson of Those Against Drunk Driving agreed: "When working with communities, community donors need to know where their money is going."

John C. McGee of Family Relations Program, Inc. elaborated, "A willingness to provide information about the nature and activities of your organization including but not limited to governance, finance, program, outcome measures to your funders and the general public. In addition, you should be willing to answer reasonable questions about the information and be able to explain the material to those who have a need to know." Along the same lines, Donna Valente of the Christopher Reeve Foundation maintained, "Nonprofit transparency means that the organization's finances, operations and programs are absolutely ethical and open to inspection."

Other participants mentioned adherence to federal and state regulations, annual financial audits, timely submission of reporting documents, and clear accounting methods and record keeping.

Openness about Mission and Programs

Several participants pointed to the importance of ensuring that all activities support an organization's mission. As one anonymous participant wrote, "There is nothing to hide. The mission is clear and organizational activity reflects that."

For Dr. Anthony A. Adamo, chief development officer of the Children's Home, Inc., "nonprofit transparency" means that "everything we do must be clearly understood and open to review and thoughtful discussion by all stakeholders to gain their complete confidence and respect."

A Holistic View

For many participants, "nonprofit transparency" encompasses every aspect of an organization. As an anonymous participant said: "I think of the acronym DWYSYWD (do what you say you will do). Do the actions of the organization reflect the core values and mission it promotes? Is there genuine evidence of the agency's high regard for integrity across all core aspects of the agency—from program operation and hiring practices, to evaluation and communications as well as the financial practices (where most media attention often gravitates). Examples of evidence may include recognizing and abiding to all applicable state and federal laws, exploring appropriate accreditation opportunities, completing regular annual reports/audits and making that information readily available to funders, using independent researchers to conduct program evaluations, maintaining open lines of communication between donors and the like." We couldn't have said it better ourselves.

Suzanne E. Coffman, November 2006

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Source: <http://www2.guidestar.org/rxa/news/articles/2006/what-nonprofit-transparency-means-to-you.aspx?articleId=1072>

Accountability and Transparency for Nonprofits: What Do They Mean?

[Adapted from Boards Members Rule: How to Be a Strategic Advocate for Your Nonprofit.]

"Accountability" and "transparency" are the key buzzwords for the nonprofit sector in this first decade of the 21st Century. This is ZimNotes' second look this year at these terms with the intent to better define what they mean.

For better or worse, the government will generally leave you alone if you provide poor service. And donors will usually forgive you for being inefficient. However, they will take you to task if you spend client money inappropriately, pay your officers too much, or forget to pay taxes correctly or on time. Media headlines about financial irregularities, overpaid executives, and outright fraud appear regularly. While in reality a very small percentage of nonprofits suffer from these problems, all pay the price of this type of attention. In the past five years an increased level of scrutiny by government has been applied to the nonprofit sector, creating new regulations and increasing the cost of compliance.

Accountability

Having financial problems has always been the most likely place that nonprofits get into trouble with the law. Today it is also a place that public and donors look to measure an organization's trustworthiness. Prudent financial accountability ensures fiscal controls are in place. The current trend for funders and donors (exacerbated by the media) is to examine carefully overhead expenses [the ratio of spending on programs (services) versus spending on administration (management) and fundraising]. There are wide discrepancies in how this information is reported; some agencies even reporting no fundraising costs (duh?...it's the rare nonprofit that can successfully operate with no fundraising costs). Percentage amounts customarily can range from 15% to 45%. Being accountable means ensuring these figures are reported accurately. When overhead percentages are low or high it doesn't necessarily mean that anything is wrong (a number of legitimate factors account for these variances) but it does mean that it should be reviewed closely.

All nonprofits provide some type of community benefit; that is why you get the advantage of being a nonprofit entity. Accountability includes ensuring that you are effectively providing this benefit service (be it feeding the homeless, protecting the environment, offering a cultural endeavor, etc). Organizations need to evaluate their services impartially and perform a needs assessment of their client/constituency population, making changes if needed. This often happens as part of a strategic planning process and is a critical part of being an accountable organization.

Transparency

Transparency involves how much you tell the public about your agency, and how honestly and quickly you reveal this information. One common way to make public your organization's financial records, principal programmatic activities and officer's compensation package is through the completion of the required IRS Federal Form 990, called the annual return. It is akin to a tax return, but not exactly the same thing. Most (non-religious) nonprofit organizations must file this return and major inconsistencies in how these forms are filled out are all too common.

The IRS Form 990 returns are also the major source of information that ratings groups use to compare organizations. While some have questioned the reliability of these ratings systems (with good reason), they exist to help donors evaluate the performance of the nonprofit. It is critical that your organization can vouch for its accuracy. This means hiring staff and recruiting board members who are more than "good with numbers;" each must have the requisite skills to get the job done right. Groups such as Guidestar make these IRS Form 990s easily available over the Internet. It is the savvy nonprofit that sees this as an opportunity to market your services and programs. Many sophisticated nonprofits that wish to be transparent also put their 990s on their own websites.

Another more comprehensive way to be transparent is to produce an annual or bi-annual report that goes beyond the financial focus of the 990s. You can lay out in a more compelling document your highlights of achievements, services and financial records with photos and graphics (and make these readily available to the public by posting it on your website). This, however, can be a costly administrative expense for a smaller nonprofit.

The more you can assure your own organization is accountable and transparent the more trustworthy you will be viewed by the public, donors, constituents and regulators!

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Source: <http://www.zimmerman-lehman.com/accountabilityandtransp.htm>

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Bank Reconciliation

Radnor Girls Crew Club Important Dates for Treasurer

July

August

1st: Whitemarsh Boat Club lease payment #1 due
Plan erg-a-thon

September

1st: Fall wage payment #1 due
10th: Payment to Wayne Business Association for fall festival space
30th: Letters to erg-a-thon donors

October

1st: Fall wage payment #2 due

November

1st: Fall wage payment #3 due
1st: Whitemarsh Boat Club lease payment #2 due
10th: Renew or redeem MetLife Bank CD

December

1st: Fall wage payment #4 due
1st: Update/amend coaches' contracts
2nd: Administer fall rower survey
31st: Pay US Rowing dues (split with RBCC)
21st: Dr. Robert C. White Rowing Trust grant application due
Prepare for Crash-Bs registration
Solicit financial aid applications

January

1st: Spring wage payment #1 due
6th: Pay directors & officers insurance premium
Prepare for RHS Winterfest
Prepare for spring social

February

1st: Whitemarsh Boat Club lease payment #3 due
1st: Spring wage payment #2 due
2nd: Renew IPOWERS.com web hosting account (expires 2/2/12)
9th: Renew auto policy (Wendy Pierce @ Roehrs 610-363-7999)
9th: Renew Enterprise truck rental contract
15th: Renew inland marine (property) insurance policy (Wendy Pierce @ Roehrs 610-363-7999)
15th: Pay PSRA dues (split with RBCC)
Pay deposit for Nationals bus
Order unis and tech shirts for spring season (JL Design Enterprises)
Order rainsuits for spring season (JL Design Enterprises)
Order freshman t-shirts (Longstreth)
Order parent spiritwear samples (B&E Sportswear)
Update spiritwear order form
Learn-to-Row dates and registration information

March

1st: Spring wage payment #3 due
15th: Letters to spring social donors
Finalize spring break plans
Distribute spring banquet budget to banquet committee

April

1st: Spring wage payment #4 due
Pay deposit for spring banquet

May

1st: Whitemarsh Boat Club lease payment #4 due
1st: Spring wage payment #5 due
15th: IRS from 990-EZ due (for calendar year filing)
25th: Administer spring rower survey (between Nationals and spring banquet)
Create Nationals budget, distribute and collect from participants

June

15th: Coach reviews
15th: Coach bonuses paid (if awarded by the board)
15th: Update/amend coaches' contracts
Audit hospitality committee account
Send season summary to donors

Bank Reconciliation

Bank reconciliation is the process of comparing and matching figures from the accounting records against those shown on a bank statement. The result is that any transactions in the accounting records not found on the bank statement are said to be outstanding. Taking the balance on the bank statement adding the total of outstanding receipts less the total of the outstanding payments this new value should (match) reconcile to the balance of the accounting records.

Bank reconciliation allows companies or individuals to compare their account records to the bank's records of their account balance in order to uncover any possible discrepancies. Discrepancies could include: checks recorded as a lesser amount than what was presented to the bank; money received but not lodged; or payments taken from the bank account without the business's knowledge. A bank reconciliation done regularly can reduce the number of errors in an accounts system and make it easier to find missing purchases and sales invoices.

Source: http://en.wikipedia.org/wiki/Bank_reconciliation

Accounting Bank Reconciliation Example

A bank reconciliation is created by accountants periodically to display the differences between cash reported on a company's bank statement and the cash balance on company's books.

Bank Statement Balance Reconciling Items:

- Deduct: Outstanding checks (i.e., checks not yet received by the bank).
- Add: Deposits in transit (i.e., deposits not yet received by the bank).
- Add or Deduct: Bank accounting errors.

Book Balance Reconciling Items:

- Deduct: Bank service charge.
- Deduct: Nonsufficient funds check (NSF).
- Add: Interest earned on checking accounts.
- Add: Collections made by the bank.
- Add or Deduct: Accounting Book errors.

Following these two steps to reconcile bank statements:

- Reconcile bank statement balance to the adjusted bank balance.
- Reconcile book balance to the adjusted book balance.

After a bank reconciliation the adjusted balances should be equal to each other. Accounting Software will often reconcile bank balances for accountants.

Source: <http://www.drtaccounting.com/2008/05/accounting-bank-reconciliation-example.html>

Financial Planning

Sample Cash Flow Analysis

As of 12/31/09

Beginning Cash Balance

Current Book Balance at 10/19/09	-
Expected Change Through FYE Excluding Bonuses (1)	-
Anticipated Cash Balance at 6/30/10 BEFORE CAPITAL EXPENDITURES (1)	-
Expected Capital Expenditures	-
Anticipated Cash Balance at 6/30/10 (1)	-

Statement of Cash Flows

	Fiscal 2011	Fiscal 2012	Fiscal 2013	Fiscal 2014	Fiscal 2012
Beginning Date	7/1/10	7/1/11	7/1/12	7/1/13	7/1/14
Ending Date	6/30/11	6/30/12	6/30/13	6/30/14	6/30/15
Beginning Cash	-	(5,000)	(10,150)	(15,455)	(20,918)
Inflows					
Other Revenues (3)	125,000	128,750	132,613	136,591	140,689
Other					
Total Inflows	125,000	128,750	132,613	136,591	140,689
Outflows					
Total Operating Expenses (3)	(95,000)	(97,850)	(100,786)	(103,809)	(106,923)
Other					
Total Outflows	(95,000)	(97,850)	(100,786)	(103,809)	(106,923)
Net Cash Flow from Operations	30,000	30,900	31,827	32,782	33,765
Capital Expenditures (2)	(35,000)	(36,050)	(37,132)	(38,245)	(39,393)
Net Cash Flow	(5,000)	(5,150)	(5,305)	(5,464)	(5,628)
Anticipated Ending Cash	(5,000)	(10,150)	(15,455)	(20,918)	(26,546)

Notes:

- (1) Assumes FY2010 budget is met.
- (2) Reflects 3% growth annually from FY2010 budget.

Financial Statements

Sample Financial Statements (Fiscal 2010)

Fiscal YTD as of 12/31/09

Income Statement

	FY 2010 Budget	Fiscal YTD	Current YTD Variance	Expected Change Through YE	Expected Year-End	Expected Year-End Variance	Comments and Variances to Budget
Revenues							
Dues							
Grants							
Fundraising							
Hospitality Events							
Merchandise							
Fees from Post-Season							
Interest Income							
Other							
Total Revenues	-	-	-	-	-	-	
Expenses							
Coaching Wages							
Coaching Other							
Boats & Vehicles							
Dues & Fees							
Insurance							
Hospitality							
Recognition							
Administration							
Occupancy Costs							
Merchandise							
Post-Season							
Total Expenses	-	-	-	-	-	-	
Net Income (Loss)	-	-	-	-	-	-	
Capital Expenditures							
Net Cash Flow	-	-	-	-	-	-	

Selected Balance Sheet Items

	At 6/30/09	At 12/31/09	Change
Checking-Sovereign			-
Money Market-Sovereign			-
Certificate of Deposit-MetLife			-
Total Cash	-	-	-

Statement of Cash Flows

	Fiscal YTD (Actual)	Fiscal YE (Estimate)
Cash Flows from Operating Activities		
Net Profit (Loss)	-	-
Change in Accounts Receivable	-	-
Change in Prepaid Expenses	-	-
Change in Liabilities	-	-
Net Cash Provided by (Used in) Operating Activities	-	-
Cash Flows Used in Investing Activities	-	-
Cash and Cash Equivalents		
Net Increase (Decrease) in Cash for the Period	-	-
Balance, Beginning of Period (7/1/08)	-	-
Balance, End of Period	-	-
	OK	

Form 990-EZ Part I

Revenue, Expenses, and Changes in Net Assets or Fund Balances (See the instructions)

1 Contributions, gifts, grants, and similar amounts received	-
2 Program service revenue including government fees and contracts	-
3 Membership dues and assessments	-

Financial_Strmts_Sample

Source: Radnor Girls Crew Club

Chart of Accounts

RGCC Chart of Accounts									
Current as of 11/25/09									
REVENUES	G/L #	EXPENSES	G/L #	EXPENSES	G/L #	EXPENSES	G/L #	EXPENSES	G/L #
Dues		Coaching Wages		Boats & Vehicles		Administration			
Fall Dues	4100	Head Coach		Auto Repairs	6000	Banking	6500		
Spring Dues	4110	Learn-to-Row	5001	Boat & Fish Commission	6005	Miscellaneous	6510		
Learn to Row Dues	4120	Fall	5002	Boat Accessories	6010	Oar/Boat Printing	6520		
		Spring	5003	Boat Registration	6015	Orientation Booklets	6530		
Grants		Bonus	5004	Boat Rental	6020	Postage	6540		
RTSD Grant	4200	Other	5005	Boat Repairs & Parts	6025	Printing	6550		
Dr. White Grant	4210	Assistant 1		Boat Shoes	6030	Website	6560		
Other Grants	4220	Learn-to-Row	5011	Loud Speaker & Harness	6035	Other	6570		
Fundraising		Fall	5012	Outboard Repairs	6040	Occupancy Costs			
Parking Passes	4300	Spring	5013	Safety Supplies & Work Suits	6045	Boathouse Rental	6600		
Raffle, Bags & Hats	4310	Bonus	5014	Supplies	6050	Tank Time	6610		
Major Fundraiser	4320	Other	5015	Titles	6055	Other	6620		
Oar Fundraiser	4330	Assistant 2		Trailer	6060	Merchandise			
Boat Naming	4340	Learn-to-Row	5021	Transport to River	6065	Parents' Jackets	6700		
Miscellaneous	4350	Fall	5022	Truck Rental/Gas	6070	Unisuits	6710		
Other	4360	Spring	5023	Other	6075	T-Shirts	6720		
Hospitality Events		Bonus	5024	Dues & Fees		Rowers' Jackets	6730		
Spring Banquet	4400	Other	5025	Entry Fees	6100	Other	6740		
Spring Break Dinner	4410	Assistant 3		NJ States Fee	6105	Post-Season			
Other	4420	Learn-to-Row	5031	PSRA City Championship Fee	6110	Hotel	6800		
Other	4430	Fall	5032	PSRA Dues	6115	Transportation	6810		
Merchandise		Spring	5033	SRAA Membership	6120	Food	6820		
Parents' Jackets	4500	Bonus	5034	SRAA Nationals Fee	6125	Other	6830		
Unisuits	4510	Other	5035	Stotesbury Regatta Fee	6130				
T-Shirts	4520	Assistant 4		US Rowing Dues	6135	Assets			
Rowers' Jackets	4530	Learn-to-Row	5041	Other	6140	Checking-Sovereign	1000		
Other	4540	Fall	5042	PSRA Dr. White Fee	6145	Money Market-Sovereign	1010		
Fees from Post-Season	4600	Spring	5043	Insurance		Certificate of Deposit-MetLife	1020		
Interest Income	4700	Bonus	5044	Directors' & Officers' Insurance	6200	Receivables	1100		
Other	4800	Other	5045	Liability Insurance (US Rowing)	6210	Prepaid Expenses	1200		
		Other Coaches		Property Insurance	6215	Equipment			
		Learn-to-Row	5051	Collision Insurance	6220	Shells (Eights)	1400		
		Fall	5052	Other	6225	Shells (Fours)	1410		
		Spring	5053	Hospitality		Launch/Outboard	1420		
		Bonus	5054	Parent Welcome Party	6300	Oars	1430		
		Other	5055	Party Venue Rental	6310	Cox Box	1440		
		Coaching Other		Port-a-Potty	6315	Ergs	1450		
		Certification	5100	Regatta Consumables	6320	Tent	1460		
		Education	5105	Speaker Fees	6325	Hospitality Trailer	1470		
		Equipment	5110	Other	6330	Other Equipment	1480		
		Food	5115	Recognition		Other Assets	1490		
		Misc/Consultants	5120	Banquet	6400	Liabilities			
		Telephone	5125	Spring Break Dinner	6410	Liabilities	2000		
		Other	5130	Decorations	6420	Equity			
				Coach Gifts	6425	Retained Earnings	3000		
				Four-Year Awards	6430				
				Presidents Gifts	6440				
				Senior Gifts	6445				
				Senior Posters	6450				
				Special Gifts	6460				
				Trophies	6465				
				Other	6470				

Source: Radnor Girls Crew Club

Financial Controls

1. **Bank Accounts:** The Treasurer shall cause to be maintained by Corporation no more than two accounts with financial institutions, both to be in the name of the Corporation. These accounts shall consist of a checking account and a savings/money market account. Additional accounts may only be established with the authorization of the board of directors.
2. **Investments:** Other than deposits to the authorized savings account of the Corporation, no board member or officer shall be permitted to make any financial investment of Corporation funds, including the purchase of short-term certificates of deposit, without the authorization of the board of directors.
3. **Bank Statements:** The Treasurer shall require the Corporation's financial institutions to mail all bank statements to the President, who shall review the statements for unusual activity and then forward the statements without delay to the Treasurer.
4. **Bank Reconciliations:** The Treasurer shall prepare a reconciliation of all bank accounts on a monthly basis and forward the reconciliations, along with a copy of the transaction register (or check register, as appropriate), to the board of directors.
5. **Financial Statements:** The Treasurer shall prepare interim financial statements for presentation to the board of directors no less frequently than once per fiscal quarter.
6. **Debit and Credit Cards:** The Treasurer shall not permit the issuance of credit or debit cards linked to the Corporation's bank accounts.
7. **Cash Withdrawals and Bank Checks:** No board member or officer shall be permitted to make a cash withdrawal from the Corporation's bank accounts or cause to be printed a bank check or other negotiable instrument (other than regular checks of the Corporation) without the authorization of the board of directors. The Treasurer shall endeavor to cause all disbursements to be made by check rather than in cash.
8. **Disbursements to the Treasurer:** All disbursements to the Treasurer shall be supported by appropriate documentation and subject to the approval of the President after the President's review of the supporting documentation.
9. **Signature Authority:** Only the Treasurer shall have signature authority for financial accounts.
10. **Independent Review:** The board of directors shall endeavor, on no less than an annual basis, to facilitate an independent review of the financial books and records and the financial controls of the Corporation by a qualified individual other than the Treasurer, and the Treasurer shall cooperate with such review.
11. **Term Limit:** The Treasurer shall be limited to a term of two (2) years.

Source: Radnor Girls Crew Club Bylaws

Financial Policies and Procedures of the Montana Non-Profit Association

Cash Receipts / Accounts Receivable: Cash receipts (check or cash) should be recorded in a deposit ledger and then immediately endorsed with a For Deposit Only stamp. Checks should be photocopied. Cash should be verified by the documentation which accompanies the cash receipt. Copies of checks and cash documentation should be attached to each deposit record (see below).

Deposits: Receipts should be deposited to an MNA account at least once per week. A copy of the deposit record and a copy of the corresponding check or cash documentation for each item should be retained. At the end of each bank statement cycle, the Treasurer or other Board designee will reconcile the deposit register and deposit records to the bank statement.

Bank Reconciliations: Bank statements are to be reconciled to the account/check register monthly. Reconciliations will be performed by the Executive Director or other staff designee and reviewed by the Treasurer or other Board designee.

Cash Disbursements / Accounts Payable: The Executive Director, the Treasurer, the Board Chair, and one other Board member proximate to the MNA office shall be designated as signatories on MNA accounts. All invoices are subject to budget authority. Checks written on invoices above \$1000.00 must have two signatures. Invoices of \$2500.00 or greater must have written authorization from the Finance Committee. An exception to the requirement for Finance Committee approval is allowed when the expense has been previously budgeted and approved by the Board of Directors. Payroll checks and any other check made payable to the Executive Director should be signed by signatories other than the Executive Director.

Grant Receipts, Restriction Releases, and Allocation: The Executive Director has responsibility for seeing that revenue received is allocated in accordance with any restrictions placed on its use by the grantor or contributor. Generally, grant funds are accompanied by a letter or other documentation from the grantor which outlines any stipulations on use of the funding. This documentation, along with the proposal and budget sent as application for the grant, are used to guide the allocation of the grant revenue to various projects. These funds will be booked as temporarily restricted assets.

Financial Statements: The Executive Director and Treasurer will work together to prepare financial statements on a monthly basis. These statements will summarize all expenditures and receipts for the period covered and compare them to the approved budget. The monthly statements will be circulated to the Finance Committee as completed. The full Board will review the most up-to-date financial statements available at each Board Meeting.

Budget: The Board of Directors is responsible for approving an annual budget at the regularly scheduled Fall Board meeting.

Investment Policy: MNA should limit the funds in its checking account to \$10,000.00 or less. Any amount above \$10,000.00 should be transferred to an interest bearing account or other investment vehicle approved by the Board. The MNA investment account will require two signatures for any withdrawal of funds.

Accounting Software: Setting up the MNA chart of accounts and computerized accounting system should be the responsibility of the Finance Committee. The Executive Director and other staff will be given appropriate levels of security authority for use of the computerized accounting system, while reserving design and oversight authority for the Treasurer or other Board designee.

Source: http://www.mtnonprofit.org/uploadedFiles/Files/Org-Dev/Principles_and_Practices/MNA_Sample_Docs/Financial_Management_Policies.pdf
Reprinted with permission.

Effective Systems of Internal Control

Internal control can be divided into two areas: accounting controls and administrative controls. Administrative controls deal with the operations of the business, whereas the accounting controls deal with accounting for such operations. Accounting controls should be designed to achieve the five basic objectives:

Validation

Validation is the examination of documentation by someone with an understanding of the accounting system, for evidence that a recorded transaction actually took place and that it occurred in accordance with the prescribed procedures. As systems grow more sophisticated, validation is a built in component whereby the transactions test themselves against predetermined exceptions.

Accuracy

The accuracy of amounts and account classification is achieved by establishing control tasks to check calculations, extensions, and additions and account classifications. The control objective is to be certain that each transaction is recorded at the correct amount, in the appropriate, account, in the right time period.

Completeness

Completeness of control tasks ensures that all transactions are initially recorded on a control document and accepted for processing once and once only. Completeness controls are needed to ensure proper summarization of information and proper preparation of financial reports. To ensure proper summarization of recorded transactions as well as a final check of completeness, subsidiary ledgers and journals with control accounts need to be maintained.

Maintenance

The objective of the maintenance controls is to monitor accounting records after the entry of transactions to ensure that they continue to reflect accurately the operation of the business. The control system should provide systematic responses to errors when they occur, to changed conditions, and to new type of transactions. The maintenance function should be accomplished principally by the operation of the system itself. Control maintenance policies require procedures, decisions, documentation, and subsequent review by a responsible authorized individual. Disciplinary control tasks, such as supervision and segregation of duties, should ensure that the internal control system is operating as planned.

Physical Security

It is important in all business organizations that the assets are adequately protected. Physical security of assets requires that access to assets be limited to authorized personnel. One means to limit access to both assets and related accounting records is through the use of physical controls. Protection devices restrict unauthorized personnel from obtaining direct access to assets or indirect access through accounting records that could be used to misappropriate assets. Locked storage facilities restrict access to inventories, and fireproof vaults prevent access to petty cash vouchers. Transaction recording equipment limits access to assets by limiting the number of employees involved in recording and posting transactions.

Source: http://www.mtnonprofit.org/uploadedFiles/Files/Org-Dev/Principles_and_Practices/MNA_Sample_Docs/Financial-Management-Sample-Policies.pdf
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Life Cycle of a Public Charity (per the IRS)

During its existence, a public charity has numerous interactions with the IRS – from filing an application for recognition of tax-exempt status, to filing the required annual information returns, to making changes in its mission and purpose. The IRS provides information, explanations, guides, forms and publications on all of these subjects – they are available through this IRS Web site. The illustration below provides an easy-to-use way of linking to the documents most charities will need as they proceed through the phases of their “life cycle.” In addition to the following illustration, you can also download a [graphical depiction](#) of the life cycle, which includes functioning links back to our site.

Starting Out

- [Organizing Documents](#)
 - [Required Provisions](#)
 - [Sample Organizing Documents](#)
 - [Governance and related topics](#)
- [Bylaws](#)
 - [State law requirements](#)
- [Employer Identification Number](#)
 - [Application Form](#)
 - [Online EIN Application](#)
- [Charitable Solicitation](#)
 - [Initial State Registration](#)
 - [Periodic State Reporting](#)
 - [State Charity Offices](#)
- [Help from the IRS](#)

Applying to IRS

- [Requirements for Exemption](#)
- [Application Forms](#)
 - [Exemption Application](#)
 - [Group exemption](#)
 - [User Fee](#)
 - [Power of Attorney](#)
 - [Disclosure of Applications](#)
- [IRS Processing](#)
 - [While You Wait](#)
 - [Rulings and Determination Letters](#)
 - [Advance Rulings - Publicly Supported Organizations](#)
- [Help from the IRS](#)
 - [Application Process Step by Step](#)
 - [Customer Account Services](#)
 - [Publication 4220, Applying for 501\(c\)\(3\) Tax-Exempt Status](#)
 - [Publication 557, Tax-Exempt Status for Your Organization](#)

Required Filings

- [Annual Exempt Organization Return](#)
 - [Requirements for Filing](#)
- [e-File for Exempt Organizations](#)
 - [e-Postcard for Small Exempt Organizations](#)
- [Unrelated Business Income Tax](#)
 - [Requirements for Filing](#)
 - [Form 990-T](#)
 - [Form 990-T instructions](#)
 - [Form 990-W](#)
 - [Estimated Tax](#)
 - [Exceptions and Exclusions](#)
 - [Publication 598, Tax on Unrelated Business Income for Exempt Organizations](#)

• [Help from the IRS](#)

- [Customer Account Services](#)
- [Publication 4221-PC, Compliance Guide for 501\(c\)\(3\) Public Charities](#)
- [Publication 557, Tax-Exempt Status for Your Organization](#)

Ongoing Compliance

- [Jeopardizing Exemption](#)
 - [Inurement/Private Benefit](#)
 - [Intermediate Sanctions](#)
 - [Lobbying/Political Activity](#)
- [Employment Taxes](#)
 - [Requirement to Pay](#)
 - [Exceptions and Exclusions](#)
 - [Worker Classification](#)
 - [Forms and Publications](#)
- [Retirement Plan Compliance](#)
- [Substantiation and Disclosure](#)
 - [Charitable Contributions](#)
 - [Publication 1771, Charitable Contributions Substantiation and Disclosure Requirements](#)
 - [Written acknowledgments](#)
 - [Quid pro quo contributions](#)
 - [Charity auctions](#)
 - [Noncash Contributions](#)
 - [Donor \(Form 8283\)](#)
 - [Donee \(Form 8282\)](#)
 - [Publication 561, Determining the Value of Donated Property](#)
- [Public Disclosure Requirements](#)
- [Help from the IRS](#)
 - [Customer Account Services](#)
 - [Publication 4221-PC, Compliance Guide for 501\(c\)\(3\) Public Charities](#)
 - [Publication 557, Tax-Exempt Status for Your Organization](#)

Significant Events

- [Reporting Changes to IRS](#)
 - [Termination of Exempt Organization](#)
- [Private Letter Rulings and Determination Letters](#)
- [Audits of Exempt Organizations](#)
 - [Potential Examination Consequences](#)
 - [Examination Procedures](#)
 - [Power of Attorney](#)
- [Termination of an Exempt Organization](#)
- [Help from the IRS](#)

Which Entities are specifically Tax-Exempt?

According to the IRS, "Nonprofit organizations that do not distribute profits can be exempt from federal income tax if organized expressly for public purposes." It is important to remember that though many types of nonprofits qualify as tax-exempt, the IRS has stated that "only 70 percent also qualify to receive tax-deductible contributions, through their status as organizations of "charitable purpose," defined under section 503(c)(3) of the tax code.

The 503(c)(3) code section defines charitable purpose as being "religious, charitable, scientific, testing for public safety, literary, or educational purposes, or to foster national or international amateur sports competition [or]...the prevention of cruelty to children or animals."

What constitutes a Tax-Exempt Organization?

Tax-exempt organizations include any diverse group of organizations that can be classified into 9 major groups, as follows;

1. Arts, culture, humanities: Examples include the Various Art Museums and Historical Societies.
2. Education: Examples include private schools, universities, parent-teacher (PTA) associations.
3. Environment and animals: Examples includes the Humane Society or Save the Wildlife Organization.
4. Health: Examples include nonprofit hospitals, the American Cancer Institute and Lung Association,
5. Human services: Examples include both the Girl and Boys Scouts and the YMCA.
6. International and foreign affairs: An Example includes the International Committee of the Red Cross.
7. Public society benefit: Examples include the Rockefeller Foundation, civil rights groups and the United Way.
8. Religion-related: Examples include interfaith coalitions and religious societies.
9. Mutual membership or benefit: Examples include nonprofit credit unions or labor unions.

Source: <http://www.asktaxguru.com/814-which-entities-are-specifically-tax-exempt.html>

How does one file for a Recognition of Tax Exempt Status?

The IRS has some very specific rules that organizations must follow in order to receive the designation of "Tax Exempt Status". To apply for recognition by the IRS of exempt status under section 501(c)(3) of the Code, Organizations are required to:

1. Complete IRS Tax Form 1023, Application for Recognition of Exemption".
2. The Organization must pay the "appropriate user fee" (\$300-\$750, depending on your organization's gross receipts; increasing 1/3/10).

For further details of the application process please refer to "IRS publication 557, Tax Exempt Status for your Organization".

Is there a mandatory EIN Requirement for a Tax Exempt Organization?

The IRS states that "the organization (tax-exempt) should also request an employer identification number (EIN), even if it does not have any employees". File for and obtain an Employer Identification Number by submitting Form SS-4.

What is the notification period to the IRS to apply for recognition of exemption?

The IRS states that "organizations that are required to apply for recognition of exemption must notify the Service within 27 months from the date of their formation to be treated as described in section 501(c)(3) from the date formed". When an organization qualifies for exemption under section 501(c)(3), the IRS will classify the organization as a private foundation, unless it meets the requirements to be treated as a public charity.

Source: <http://www.asktaxguru.com/433-how-does-one-file-recognition-tax-exempt.html>

See the IRS brochure "Applying for 501(c)(3) Tax-Exempt Status" at <http://www.irs.gov/pub/irs-pdf/p4220.pdf>.

IRS Determination Letter

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: OCT 31 2003

RADNOR GIRLS CREW CLUB INC
31 ALDWYTH LN
VILLANOVA, PA 19085

Employer Identification Number:
23-2840094
DIN:
17053246030013
Contact Person: TERRY L MILLER ID# 31222
Contact Telephone Number:
(877) 829-5500
Accounting Period Ending:
June 30
Form 990 Required:
Yes
Addendum Applies:
No

Dear Applicant:

Based on information supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from federal income tax under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3).

We have further determined that you are not a private foundation within the meaning of section 509(a) of the Code, because you are an organization described in section 509(a)(2).

If your sources of support, or your purposes, character, or method of operation change, please let us know so we can consider the effect of the change on your exempt status and foundation status. In the case of an amendment to your organizational document or bylaws, please send us a copy of the amended document or bylaws. Also, you should inform us of all changes in your name or address.

As of January 1, 1984, you are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of \$100 or more you pay to each of your employees during a calendar year. You are not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Since you are not a private foundation, you are not subject to the excise taxes under Chapter 42 of the Code. However, if you are involved in an excess benefit transaction, that transaction might be subject to the excise taxes of section 4958. Additionally, you are not automatically exempt from other federal excise taxes. If you have any questions about excise, employment, or other federal taxes, please contact your key district office.

Grantors and contributors may rely on this determination unless the Internal Revenue Service publishes notice to the contrary. However, if you lose your section 509(a)(2) status, a grantor or contributor may not rely on this determination if he or she was in part responsible for, or was aware of, the act or failure to act, or the substantial or material change on the

Letter 947 (DO/CG)

Note: This is the first page of a three-page letter.

Filing Requirements (per IRS)

Generally, tax-exempt organizations must file an annual information return. Tax-exempt organizations that have annual gross receipts not normally in excess of \$25,000 are not required to file the annual information return, but may be required to file an [annual electronic notice \(e-Postcard\) Form 990-N](#). In addition, churches and certain religious organizations, certain state and local instrumentalities, and other organizations are excepted from the annual return filing requirement. For more information, download [Publication 557, Tax-Exempt Status for Your Organization](#). In addition, [Publications 4221-PC](#) and [4221-PF](#) explain the filing and recordkeeping rules that apply to section 501(c)(3) tax-exempt public charities and private foundations respectively.

Tax-exempt organizations, other than private foundations, must file [Form 990, Return of Organization Exempt From Income Tax](#), or [Form 990-EZ, Short Form Return of Organization Exempt From Income Tax](#). The Form 990-EZ is designed for use by small tax-exempt organizations and nonexempt charitable trusts. An organization may file Form 990-EZ, instead of Form 990, only if it satisfies [thresholds](#) relating to its gross receipts during the year and its total assets (as shown in the balance sheet of Form 990-EZ) at the end of the year. If your organization fails to meet either of these conditions, you cannot file Form 990-EZ. Instead you must file Form 990. All private foundations exempt under 501(c)(3) must file [Form 990-PF, Return of Private Foundation](#).

Form 990, Form 990-EZ, or Form 990-PF must be filed by the 15th day of the 5th month after the end of your organization's accounting period. Instructions for [Form 990](#), [Form 990-EZ](#), and [Form 990-PF](#) indicate the Service Center to which they must be sent.

A tax-exempt organization that fails to file a required return is subject to a penalty of \$20 a day for each day the failure continues. The same penalty will apply if the organization fails to give correct and complete information or required information on its return. The maximum penalty for any one return is the lesser of \$10,000 or 5 percent of the organization's gross receipts for the year. If the organization has gross receipts in excess of \$1,000,000, the penalties are increased to \$100 per day with a maximum penalty of \$50,000.

Even though an organization is recognized as tax exempt, it still may be liable for tax on its unrelated business income. An exempt organization that has \$1,000 or more gross income from an unrelated business must file [Form 990-T, Exempt Organization Business Income Tax Return](#). The obligation to file Form 990-T is in addition to the obligation to file the annual information return. Tax-exempt organizations must make quarterly payments of estimated tax on unrelated business income. An organization must make estimated tax payments if it expects its tax for the year to be \$500 or more. The Form 990-T of a tax-exempt organization must be filed by the 15th day of the 5th month after the tax year ends. An employees' trust must file Form 990-T by the 15th day of the 4th month after its tax year ends. For additional information, see the [Form 990-T instructions](#) or [Publication 598, Tax on Unrelated Business Income of Exempt Organizations](#).

Every employer, including a tax-exempt organization, who pays wages to employees is responsible for withholding, depositing, paying, and reporting federal income tax, social security taxes (FICA), and federal unemployment tax (FUTA) for such wage payments, unless that employer is specifically excepted by statute from such requirements or if the taxes are clearly inapplicable. For more information, download [Publication 15, Circular E, Employer's Tax Guide](#), [Publication 15-A, Employer's Supplemental Tax Guide](#), [Form 940, Employer's Annual Federal Unemployment \(FUTA\) Tax Return](#), and [Form 941, Employer's Quarterly Federal Tax Return](#), or [Form 944, Employer's Annual Federal Tax Return](#).

Source: <http://www.irs.gov/charities/article/0,,id=96103,00.html>

See the IRS brochure "Compliance Guide for 501(c)(3) Public Charities" at <http://www.irs.gov/pub/irs-pdf/p4221pc.pdf>.

What is the UBI Tax that is applicable to the Non Profit Organization?

Even though your non-profit organization may be recognized as being tax exempt, it could still be liable for tax on its unrelated business income (UTI). Hence the term UBI Tax!

What is Unrelated Business Income?

The IRS has defined an activity as an unrelated business (and subject to unrelated business income tax) if it meets three requirements:

1. It is a trade or business,

The term trade or business generally includes any activity carried on for the production of income from selling goods or performing services.

2. It is regularly carried on, and

Business activities of an exempt organization ordinarily are considered regularly carried on "if they show a frequency and continuity, and are pursued in a manner similar to, comparable commercial activities of nonexempt organizations."

3. It is not substantially related to furthering the exempt purpose of the organization.

The IRS has stated that "to determine if a business activity is substantially related requires examining the relationship between the activities that generate income and the accomplishment of the organization's exempt purpose."

Clearly, the IRS wants the activities that generate the income to be related to achieving the Non-Profit Organization's exempt purposes, in order to be treated as being substantially related and thus exempt from the UBI Tax!

The IRS tax code states that "an exempt organization that has \$1,000 or more of gross income from an unrelated business must file Form 990-T."

Thus, if your organization meets criteria of having \$1,000 or more of UTI income, then it has an obligation to file Form 990-T. This is in addition to the obligation to file the annual information return, Form 990, 990-EZ or 990-PF.

Source: <http://www.asktaxguru.com/614-what-ubi-tax-applicable-non-profit-organization.html>

Independent Contractor vs. Employee (IRS Topic 762)

To determine whether a worker is an independent contractor or an employee under common law, you must examine the relationship between the worker and the business. All evidence of control and independence in this relationship should be considered. The facts that provide this evidence fall into three categories – Behavioral Control, Financial Control, and the Relationship of the Parties.

Behavioral Control covers facts that show whether the business has a right to direct or control how the work is done, through instructions, training, or other means.

Financial Control covers facts that show whether the business has a right to direct or control the financial and business aspects of the worker's job. This includes:

- The extent to which the worker has unreimbursed business expenses
- The extent of the worker's investment in the facilities used in performing services
- The extent to which the worker makes his or her services available to the relevant market
- How the business pays the worker, and
- The extent to which the worker can realize a profit or incur a loss

Relationship of the Parties covers facts that show how the parties perceive their relationship. This includes:

- Written contracts describing the relationship the parties intended to create
- The extent to which the worker is available to perform services for other, similar businesses
- Whether the business provides the worker with employee-type benefits, such as insurance, a pension plan, vacation pay, or sick pay
- The permanency of the relationship, and
- The extent to which services performed by the worker are a key aspect of the regular business of the company

For more information, refer to Publication 15-A (PDF), Employer's Supplemental Tax Guide, or Publication 1779 (PDF), Independent Contractor or Employee. If you want the IRS to determine whether a specific individual is an independent contractor or an employee, file Form SS-8 (PDF), Determination of Worker Status for Purposes of Federal Employment Taxes and Income Tax Withholding.

<http://www.irs.gov/taxtopics/tc762.html>

Form 1099-MISC

9595 VOID CORRECTED

PAYER'S name, street address, city, state, ZIP code, and telephone no.		1 Rents	OMB No. 1545-0115	
		\$	2010	
PAYER'S federal identification number		2 Royalties	Form 1099-MISC	
		\$		
RECIPIENT'S name		3 Other income	4 Federal income tax withheld	Copy A For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the 2010 General Instructions for Certain Information Returns.
		\$	\$	
PAYER'S federal identification number		5 Fishing boat proceeds	6 Medical and health care payments	
RECIPIENT'S identification number		\$	\$	
Street address (including apt. no.)		7 Nonemployee compensation	8 Substitute payments in lieu of dividends or interest	
City, state, and ZIP code		\$	\$	
Account number (see instructions)		9 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale <input type="checkbox"/>	10 Crop insurance proceeds	
2nd TIN not <input type="checkbox"/>		\$	\$	
15a Section 409A deferrals		11	12	
15b Section 409A income		13 Excess golden parachute payments	14 Gross proceeds paid to an attorney	
\$		\$	\$	
16 State tax withheld		17 State/Payer's state no.	18 State income	
\$		\$	\$	

Form 1099-MISC Cat. No. 14425J Department of the Treasury - Internal Revenue Service
Do Not Cut or Separate Forms on This Page — Do Not Cut or Separate Forms on This Page

Form 1096

Do Not Staple 6969

Form 1096		Annual Summary and Transmittal of U.S. Information Returns		OMB No. 1545-0048	
Department of the Treasury Internal Revenue Service				2010	
FILER'S name					
Street address (including room or suite number)					
City, state, and ZIP code					
Name of person to contact			Telephone number () - () - ()		
Email address			Fax number () - () - ()		
1 Employee identification number		2 Social security number		3 Total number of forms	
				4 Federal income tax withheld \$	
				5 Total amount reported with this Form 1096 \$	
6 Enter an "X" in only one box below to indicate the type of form being filed:					
7 If this is your final return, enter an "X" here: <input type="checkbox"/>					
W-2G	1099	1099-C	1099-E	1099-T	1099-A
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1099-INT	1099-DIV	1099-PTN	1099-SSA	1099-NEC	1099-SEC
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Return this entire page to the Internal Revenue Service. Photocopies are not acceptable.

Under penalties of perjury, I declare that I have examined this return and accompanying documents, and, to the best of my knowledge and belief, they are true, correct, and complete.

Signature _____ Title _____ Date _____

Instructions

Reminder. The only acceptable method of filing information returns with Enterprise Computing Center—Martinez (ECC—MTE) is electronically through the FIRE system. See Pub. 1220, Specifications for Filing Forms 1096, 1099, 3921, 3922, 5498, 8935, and W-2G Electronically.

Purpose of form. Use this form to transmit paper Forms 1096, 1099, 3921, 3922, 5498, and W-2G to the Internal Revenue Service. Do not use Form 1096 to transmit electronically. For electronic submissions, see Pub. 1220, Specifications for Filing Forms 1096, 1099, 3921, 3922, 5498, 8935, and W-2G Electronically.

Caution: If you are required to file 250 or more information returns of any one type, you must file electronically. If you are required to file electronically but fail to do so, and you do not have an approved waiver, you may be subject to a penalty. For more information, see part F in the 2010 General Instructions for Certain Information Returns.

Who must file. The name, address, and TIN of the filer on this form must be the same as those you enter in the upper left area of Forms 1096, 1099, 3921, 3922, 5498, or W-2G. A filer is any person or entity who files any of the forms shown in line 6 above.

Preaddressed Form 1096. If you received a preaddressed Form 1096 from the IRS with Package 1096, use it to transmit paper Forms 1096, 1099, 3921, 3922, 5498, and W-2G to the Internal Revenue Service. If any of the preprinted information is incorrect, make corrections on the form.

If you are not using a preaddressed form, enter the filer's name, address (including room, suite, or other unit number), and TIN in the spaces provided on the form.

When to file. File Form 1096 as follows:

- With Forms 1096, 1099, 3921, 3922, or W-2G, file by February 29, 2011.
- With Forms 5498, 5498-ESA, or 5498-SA, file by May 31, 2011.

Where To File

Send all information returns filed on paper with Form 1096 to the following:

If your principal business, office or agency, or legal residence in the case of an individual, is located in

Alabama, Arizona, Arkansas, Connecticut, Delaware, Florida, Georgia, Kentucky, Louisiana, Maine, Massachusetts, Mississippi, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, Texas, Vermont, Virginia, West Virginia

Department of the Treasury
Internal Revenue Service Center
Austin, TX 73301

Form W-9 (Rev. October 2007) Department of the Treasury Internal Revenue Service	Request for Taxpayer Identification Number and Certification	Give form to the requester. Do not send to the IRS.
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Print or type See Specific Instructions on page 2.	Name (as shown on your income tax return)	
	Business name, if different from above	
	Check appropriate box: <input type="checkbox"/> Individual/Sole proprietor <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Limited liability company. Enter the tax classification (D=disregarded entity, C=corporation, F=partnership) ▶ _____ <input type="checkbox"/> Exempt payee <input type="checkbox"/> Other (see instructions) ▶ _____	
	Address (number, street, and apt. or suite no.)	Requester's name and address (optional)
	City, state, and ZIP code	
List account number(s) here (optional)		

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on Line 1 to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Social security number
OR
Employer identification number

Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
- I am a U.S. citizen or other U.S. person (defined below).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. See the instructions on page 4.

Sign Here	Signature of U.S. person ▶	Date ▶
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General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

- Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
- Certify that you are not subject to backup withholding, or
- Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

- The U.S. owner of a disregarded entity and not the entity,

Fundraising Principles

Nonprofit organizations play an important societal role in serving as the vehicle by which philanthropy occurs. Nonprofits act as the intermediary between donors and beneficiaries and have ethical and legal obligations to ensure proper handling of funds to carry out their missions. Nonprofit fundraising should be conducted according to the highest ethical standards with regard to solicitation, acceptance, recording, reporting and use of funds. Nonprofits should adopt clear policies for fundraising activities to ensure both responsible use of funds for designated purposes and open, transparent communication with donors and other constituents.

Ethics, Responsibilities, and Policies

1. A nonprofit's board and its executive leaders should be familiar with the Association of Fundraising Professionals' Code of Ethical Principles and Standards of Professional Practice, available at www.afpnet.org and, through adequate management and supervision, should ensure that all fundraising professionals acting on behalf of the organization adhere to these principles and standards.
2. To foster and maintain the public's trust, a nonprofit should seek only the funds it needs to reasonably work toward achieving its mission over the foreseeable future. When appropriate, reserve accounts and endowments should be established for the purpose of supporting the financial sustainability of programs.
3. A nonprofit must honor the donor's intent to the extent that it is compatible with and contributes to fulfilling the organization's mission. If a gift cannot be so characterized or if accepting it will create problems for the organization or its constituents, then the nonprofit must respectfully decline the gift.
4. According to their means, board members should make personal financial contributions to the nonprofits they serve. In addition, board members should engage in activities that raise funds from external sources.
5. Fundraising communications should include clear, accurate, and honest information about the organization, its activities, and the intended use of funds. Solicitation materials and other communications with donors and the public must clearly identify the organization.
6. A nonprofit must comply with laws concerning Do-Not-Call Lists. MT
7. A nonprofit should have policies that govern the receipt, management, and disposal of charitable gifts and grants.
8. A nonprofit must comply with disclosure laws regarding quid pro quo contributions when a donor receives something of value in return for a contribution.
9. A nonprofit must comply with laws concerning fundraising raffles or other games of chance. MT, US
10. A nonprofit must comply with all charitable solicitation laws (including registration if applicable) when soliciting funds from donors in other states. MULTI-STATE LAW
11. Compensation for fundraising personnel and consultants should not be based on a percentage of funds raised or on other commission-based formulas.

Accountability to Donors

12. A nonprofit should publicly recognize charitable contributions and, at the same time, be mindful of maintaining donor confidentiality when needed. Nonprofits must not share or trade donor information with others unless the donor gives express permission to do so.
13. A nonprofit should practice good donor stewardship. A nonprofit should regularly communicate with donors regarding its activities and should make that information available by multiple means.
14. A nonprofit should have a written policy that governs stewardship of donors. This policy should address private and public acknowledgement of gifts and donor information, a threshold for the size of gifts to be recognized, and the sale and/or sharing of donor information.
15. A nonprofit should promptly acknowledge and thank donors and, in the process, assist donors in fulfilling their federal gift substantiation requirements.

Source: <http://www.mtnonprofit.org/content.aspx?id=2340>

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5 Keys to Pulling out of the Economic Nosedive

This is my latest Fundraising Success column - timely stuff, I think, so I'm sharing it here.

It's ugly out there, and if you're the pilot of your fundraising endeavors, you're getting pretty sick of the turbulence. Many of us are rendered nauseous by the sight of the goals on our development dashboards. Some nonprofits are in a fiscal nosedive. And as any financial pundit worth his market metaphors will tell you, falling is no fun, especially without a golden parachute.

In situations like this, some people panic. Others get inventive. Let's all pledge here and now to stay in the latter category. As a wise man once said, worrying is not thinking and complaining is not action.

Here are five keys to pulling yourself and your message together to survive 2009. They are all variations on an important theme: give donors what they want during tough times.

1. Give donors what they want: to feel good.

That's right. Donors want to feel good, especially right now. They want a helper's high. They want to have an impact, make a difference and attain an emotional ROI. You don't give that to them with a desperate, doom and gloom message about your dire need. Even if you're feeling negative, there is no need to share that emotion unless there is a happy windup to your appeal. Who can the donor save? What can they make possible? How can they be a superhuman life-changer for a small sum? Tell them that. It's good stuff. It's motivating stuff. It works. DO NOT LOSE SIGHT OF THIS. Times are tough and if you can make people feel good about themselves and what they've done, that's worth a lot to them.

2. Give donors what they want: to hear from people they know.

Now's a good time to change up the messenger. People are going to be in a kind of mental fetal position this year, clinging to their nearest and dearest in this scary world. So if you put your cause in the mouths of their friends and family, you're going to get much further than you would messaging alone. Ask your supporters to spread the word about you. The messenger will be key this year, and it's best if it's not you.

3. Give donors what they want: tangibility.

People are pinching pennies and seeking value this year, whether in the aisles of Wal-Mart or when giving money. You need to show you're going to be a very trustworthy, efficient and effective steward of their money, and there's no better way to do that than to be very concrete. Where will the money go? What dollars buy what change? What good is going to result from a gift? Answer these questions many times: when a donor gives, after they give, and next time you contact them for help.

4. Give donors what they want: flexibility.

Not everyone can give as they have in more prosperous times. So recognize that fact and give them flexibility in how they support you. How can they volunteer their times or talents? How can they assist you in spreading the word? How about monthly giving – modest amounts deducted from their credit cards? Make it easy for people to help, no matter how hard the times.

5. Give donors what they want: personalization.

Last, don't forget to do everything you can to personalize your messages. Donors are going to be hit up for money left and right by desperate parties this year. If you show you see them as a person and not a walking wallet, you stand a better chance of standing out. Ask them about their interests so you can cater to them.

I'll also add a bonus sixth point, which is that if these things aren't working at all, that tells you something. One explanation is hard times, but that's not the whole story. If you can't prove your relevance to donors or supporters, you have more than the recession to blame. You need to call up a few folks and find out why you're failing to connect. Or ask yourself if you are targeting the wrong audience. Or question if you need to join forces with an organization better positioned for outreach. Keep looking till you know why you're failing – and then have the courage to fix the underlying problem. The more you think instead of panic, the greater your chances of pulling out of your nosedive and taking flight.

Source: http://www.nonprofitmarketingblog.com/comments/5_keys_to_pulling_out_of_the_economic_nosedive/

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Evaluation Principles

As entities that serve the public, nonprofits have an obligation to demonstrate their value to the public good. The public has a stake in nonprofit performance and is entitled to information regarding results. Nonprofits should regularly measure their performance both in terms of effectiveness—such as outcomes and results of services (the “what”)—and efficiency—such as service delivery systems (the “how”). Nonprofits should share such information with their constituents. Evaluation should be appropriate to the size and activities of the organization and evaluation data should be used to continually improve the quality of processes, programs, and activities.

General

1. A nonprofit should have in place defined, ongoing, and sustainable procedures for evaluating its programs, procedures, and outcomes in relation to its mission.
2. A nonprofit should commit to effective and efficient delivery of service and should regularly monitor the experience and satisfaction of constituents.

Methodology and Measurement

3. Nonprofit evaluation should include input from a wide variety of stakeholders, including staff, board, funders, constituents, and community members.
4. Information collected from constituents must be kept confidential and may not be released in a manner that would allow identification of specific persons served except with their written permission.
5. A nonprofit should conduct evaluations in ways that are culturally sensitive and appropriate to the communities they serve.
6. Performance measures should be realistic, specific, and appropriate to the size and scope of the organization and its constituents.
 - a. Performance measures should serve to enhance the organizational plan.
 - b. Measurement should seek information on satisfaction, activities, results, and community input.
 - c. Measurement should seek both qualitative and quantitative information.
 - d. Measurement should seek data on efficiency and effectiveness.
7. A nonprofit organization should utilize external evaluators when appropriate and feasible. These evaluators should follow the national Guiding Principles for Evaluators set forth by the American Evaluation Association (www.eval.org).

Use of Evaluation Results

8. Evaluation results should be used to strengthen and improve the nonprofit’s programs and activities by incorporating them into organizational planning processes.
9. Evaluation results should be communicated to a broad range of stakeholders, including staff, board, funders, constituents, and community members.
10. A nonprofit should train its personnel in evaluation methods so as to improve their understanding and utilization of information developed from evaluation activities.
11. A nonprofit should share relevant lessons learned with other nonprofits and funding sources.

Source: <http://www.mtnonprofit.org/content.aspx?id=2338>

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Radnor Girls Crew Club Financial Aid Application

The Radnor Girls Crew Club is proud to be able to provide a limited amount of need-based financial assistance to existing or prospective rowers. Aid grants will be limited to no more than 50% of dues (which are currently \$500 for the fall season and \$1,200 for the spring season) and 50% of other costs (unisuit, transportation to Nationals competition, etc.). There is no guarantee that the club will be able to continue offering financial assistance in the future or that aid recipients this season will be selected to receive aid in subsequent seasons. Aid recipients and their families will be expected to make an extra effort to support the club through volunteer and fundraising activities.

Applicants must complete Part I of the attached application and prepare a short essay (see application), and the applicant's parent or legal guardian must complete Part II of the application. Applicants may be asked to meet with a coach. Because this is a need-based program, the RGCC must ask for limited financial information. All such financial information will be kept strictly confidential and reviewed only by the board of directors of the club. The names of aid recipients will not be announced publicly.

All applications must be postmarked no later than the date set by the RGCC for the current season. Applications received after this date may not be considered. Applicants are encouraged to submit applications prior to these deadlines. Applications may also be hand-delivered to any of the four RGCC board members. If you intend to submit an application, we recommend sending an email to aid@radnorcrew.com, so we know to expect your application.

All applications will be reviewed by the board of directors, who may or may not consult with the coaches and who will have sole and exclusive discretion in awarding aid. Award recipients will be notified upon acceptance. Preference will be given to the following applicants:

- applicants with demonstrated financial need
- applicants who are existing rowers
- applicants with excellent academic performance
- applicants with exceptional athletic potential

For more information, email RGCCaid@radnorcrew.org.

Radnor Girls Crew Club Financial Aid Application

PART I: TO BE COMPLETED BY STUDENT

Applicant Information

Name:

Date of birth:

Grade: 9 10 11 12

Phone:

Home address:

City:

State:

ZIP Code:

Email:

GPA for most recent marking period:

Marking period:

Rowing History

Seasons rowed with RGCC: (Please check)

- | | | | |
|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| <input type="checkbox"/> Fall 2006 | <input type="checkbox"/> Fall 2007 | <input type="checkbox"/> Fall 2008 | <input type="checkbox"/> Fall 2009 |
| <input type="checkbox"/> Spring 2006 | <input type="checkbox"/> Spring 2007 | <input type="checkbox"/> Spring 2008 | <input type="checkbox"/> Spring 2009 |

Extracurricular Activities

List school activities, honors, club memberships, offices held, etc.:

Volunteer Activities

List volunteer activities with which you are involved:

Other Information

List any other information you would like considered:

Required Essay

You must prepare a brief essay describing, in your own words:

- **For existing RGCC rowers:** how your participation in rowing with the RGCC has impacted your life and contributed to your individual growth
- **For new RGCC rowers:** what you expect to get out of your participation and what you expect to contribute to the club

The essay must be typed (Arial 12-point font, please), double-spaced, and no more than two pages nor less than one page in length.

Certification

I certify that my application materials are accurate to the best of my knowledge and that my essay is an original work prepared by me. I understand that the application materials will not be returned. I understand that this application is not complete unless my parent/guardian completes and returns Part II of this application.

Signature of student:

Date:

All applications must be postmarked no later than the date set by the RGCC for the current season. Applications received after this date may not be considered. Applicants are encouraged to submit applications prior to these deadlines. Applications may also be hand-delivered to any of the four RGCC board members. Mail completed application (Parts I and II) with your essay to:

Dan Webster, Treasurer
Radnor Girls Crew Club
242 Ravenscliff Road
St. Davids, PA 19087
RGCCtreasurer@radnorcrew.org

Radnor Girls Crew Club Financial Aid Application

PART II: TO BE COMPLETED BY STUDENT'S PARENT OR LEGAL GUARDIAN

Parent/Guardian Information

Name:

Email:

Spouse's name:

Phone:

Home address:

City:

State:

ZIP Code:

Are applicant's parents divorced? No Yes

How many adults financially support household? One Two

Employment Information

Is the student's mother employed? Yes No

If yes, state occupation _____ and employer _____.

Is the student's father employed? Yes No

If yes, state occupation _____ and employer _____.

Household Income Information

Indicate household income range: \$0-\$30,000 \$30,001-\$60,000 \$60,001-\$90,000 Over \$90,000

Does the applicant student qualify for free or reduced price school meals? No Yes

Do you own your home? No Yes

Do you own other real estate? No Yes If yes, describe:

Do you own a business? No Yes If yes, describe:

Dependents in School

List each of your dependents currently enrolled in school or college.

Child's name	Age	School attending	Grade	Approximate scholarship funding percentage

Other Information

List any other information you would like considered:

Certification

I certify that the information provided above is accurate to the best of my knowledge. I understand that these application materials will not be returned. I understand that this application is not complete unless my daughter completes and submits Part I of this application along with her original essay.

Signature of parent or legal guardian:

Date:

All applications must be postmarked no later than the date set by the RGCC for the current season. Applications received after this date may not be considered. Applicants are encouraged to submit applications prior to these deadlines. Applications may also be hand-delivered to any of the four RGCC board members. Mail completed application (Parts I and II) with your essay to:

Dan Webster, Treasurer
Radnor Girls Crew Club
242 Ravenscliff Road
St. Davids, PA 19087
RGCCtreasurer@radnorcrew.org

Financial Aid Evaluation Form

**Radnor Girls Crew Club
Financial Aid Application Evaluation Form**

PART I: TO BE COMPLETED BY TREASURER UPON RECEIPT OF APPLICATION

Applicant's Name:	Grade: 9 10 11 12	Date Received:
Was the application received on time? Yes No If no, how late was it? _____ days If no, why was it late? _____		
Was the application complete in all respects? Yes No If no, list deficiencies _____		
Is the applicant an existing rower? Yes No If yes, school years rowed _____ Seasons rowed _____		

PART II: TO BE COMPLETED BY BOARD MEMBER

Board Member's Name:	Position:
Do you have any conflict of interest that prevents you from rendering an objective opinion on this application? Yes No If yes, please explain:	
Do you believe the application was completed carefully? Yes No Comments:	
Do you believe the applicant has demonstrated financial need? Yes No Rate your opinion of applicant's financial need (10=Highest level of need) 1 2 3 4 5 6 7 8 9 10 Comments:	
Do you believe the applicant has demonstrated excellent academic performance? Yes No Rate your opinion of applicant's academic performance (10=Highest level of performance) 1 2 3 4 5 6 7 8 9 10 Comments:	
Do you believe the applicant has exceptional athletic potential? No Opinion Yes No Rate your opinion of applicant's athletic potential (10=Highest level of potential) 1 2 3 4 5 6 7 8 9 10 Comments:	
Rate your opinion of whether the rower's essay appropriately addressed either (for existing RGCC rowers) how her participation in rowing with the RGCC has impacted her life and contributed to her individual growth or (for new RGCC rowers) what the rower expects to get out of her participation and what she expect to contribute to the club (10=Best effort) 1 2 3 4 5 6 7 8 9 10 Comments:	
Based on Part I of the application, completed by the student, rate your overall opinion of whether the applicant is deserving of financial aid. (10=Deserves highest level of consideration) 1 2 3 4 5 6 7 8 9 10 Comments:	
Based on Part II of the application, completed by the parent, rate your overall opinion of whether the applicant is deserving of financial aid. (10=Deserves highest level of consideration) 1 2 3 4 5 6 7 8 9 10 Comments:	
Do you believe the applicant should receive financial assistance? Yes No Not Sure If yes, what percentage? _____% Comments (including additional information needed to express an opinion):	

Certification

I certify that my I have no conflict of interest that prohibits me from rendering an objective opinion on this application for financial aid except as otherwise disclosed above.

Signature of board member:	Date:
----------------------------	-------

Please return completed evaluations to:
 Dan Webster, Treasurer
 Radnor Girls Crew Club
 242 Ravenscliff Road
 St. Davids, PA 19087
 RGCCtreasurer@radnorcrew.org

PA Sales Tax Exemption Application (REV-72)

REV-72 AS (11-06)



APPLICATION FOR SALES TAX EXEMPTION

(Must be completed in black ink.)

EXEMPTION NUMBER: _____
DATE OF ACTION: _____
DENIAL REASON: _____
EVALUATOR: _____

SECTION 1 - REGISTRATION

INSTITUTIONS SEEKING EXEMPTION FROM SALES AND USE TAX MUST COMPLETE THIS APPLICATION. SECTION 1 -- REGISTRATION MUST BE COMPLETED BY ALL INSTITUTIONS. PLEASE FOLLOW THE INSTRUCTIONS CAREFULLY TO INSURE ALL PERTINENT INFORMATION AND SUPPORTING DOCUMENTATION ARE SUPPLIED.

CHECK THE APPROPRIATE BOX TO INDICATE THE REASON FOR THIS REGISTRATION.

- NEW REGISTRATION, EXPIRED EXEMPTION STATUS, RENEWAL UPDATE

REQUIRED DOCUMENTATION CHECKLIST

- INCORPORATED INSTITUTIONS MUST PROVIDE A COPY OF THE ARTICLES OF INCORPORATION SPECIFICALLY INCLUDING A PROVISION PROHIBITING THE USE OF ANY SURPLUS FUNDS FOR PRIVATE INUREMENT TO ANY PERSON IN THE EVENT OF A SALE OR DISSOLUTION OF THE INSTITUTION.
UNINCORPORATED INSTITUTIONS MUST PROVIDE A COPY OF THE BY LAWS OR ANY GOVERNING DOCUMENT SPECIFICALLY INCLUDING A PROVISION PROHIBITING THE USE OF ANY SURPLUS FUNDS FOR PRIVATE INUREMENT TO ANY PERSON IN THE EVENT OF A SALE OR DISSOLUTION OF THE INSTITUTION.
ALL ORGANIZATIONS MUST PROVIDE A COPY OF THE MOST CURRENT FINANCIAL STATEMENT (NEW ORGANIZATIONS CAN SUBSTITUTE A PROPOSED BUDGET) INCLUDING ALL INCOME AND EXPENSES LISTED BY SOURCE AND CATEGORY.
IF THE INSTITUTION HAS BEEN GRANTED EXEMPTION BY THE INTERNAL REVENUE SERVICE (IRS), PROVIDE A COPY OF THE DETERMINATION LETTER.
IF THE INSTITUTION FILES FORM 990, PROVIDE A COPY OF THE MOST RECENTLY COMPLETED FORM WITH THE APPLICATION.

Bylaws Dissolution Clause

ARTICLE VII
DISSOLUTION

Section 1. Upon the dissolution of the Corporation, the board shall, after paying or making provision for the payment of all of the liabilities of the Corporation, dispose of all of the assets of the Corporation exclusively for the purpose of the Corporation in such manner, or to such organization(s) which are organized and operated exclusively for charitable, educational, or scientific purposes as shall at the time qualify as an exempt organization under the Internal Revenue Code of 1954 (as amended and/or superseded), as the board shall determine. Any such assets not so disposed of shall be disposed of by the Circuit Court of the county in which the principal office of the Corporation is then located, exclusively for such purposes or to such organization(s), as said Court shall determine, which are organized and operated exclusively for such purpose.

Source: Bylaws of the Radnor Girls Crew Club

REV-1220 AS + (3-05)(1)



**PENNSYLVANIA EXEMPTION
CERTIFICATE**

CHECK ONE:

- STATE OR LOCAL SALES AND USE TAX
- STATE OR LOCAL HOTEL OCCUPANCY TAX
- PUBLIC TRANSPORTATION ASSISTANCE TAXES AND FEES (PTA)
- VEHICLE RENTAL TAX (VRT)

(Please Print or Type)

This form cannot be used to obtain a Sales Tax License Number, PTA License Number or Exempt Status.

Read Instructions
On Reverse Carefully

THIS FORM MAY BE PHOTOCOPIED – VOID UNLESS COMPLETE INFORMATION IS SUPPLIED

- CHECK ONE:** PENNSYLVANIA TAX UNIT EXEMPTION CERTIFICATE (USE FOR ONE TRANSACTION)
 PENNSYLVANIA TAX BLANKET EXEMPTION CERTIFICATE (USE FOR MULTIPLE TRANSACTIONS)

Name of Seller, Vendor, or Lessor _____

Street _____ City _____ State _____ ZIP Code _____

NOTE: Do not use this form for claiming an exemption on the registration of a vehicle. To claim an exemption from tax for a motor vehicle, trailer, semi-trailer or tractor with the PA Department of Transportation, Bureau of Motor Vehicles, use one of the following forms:

- FORM MV-1 Application for Certificate of Title (first time registrations)
- FORM MV-4ST Vehicle Sales and Use Tax Return/Application for Registration (other registrations)

Property and services purchased or leased using this certificate are exempt from tax because: (Select the appropriate paragraph from the back of this form, check the corresponding block below and insert information requested.)

- 1. Property or services will be used directly and predominately by purchaser in performing purchaser's operation of: _____
- 2. Purchaser is also: _____
- 3. Property will be resold under License Number _____. (If purchaser does not have a PA Sales Tax License Number, include a statement under Number 7 explaining why a number is not required.)
- 4. Purchaser is also: _____ holding Exemption Number _____
- 5. Property or services will be used directly and predominately by purchaser performing a public utility service.
 PA Public Utility Commission PUC Number _____ and/or US Department of Transportation MC/MX _____
- 6. Exempt wrapping supplies, License Number _____. (If purchaser does not have a PA Sales Tax License Number, include a statement under Number 7 explaining why a number is not required.)
- 7. Other _____
 (Explain in detail. Additional space on reverse side.)

I am authorized to execute this Certificate and claim this exemption. Misuse of this Certificate by seller, lessor, buyer, lessee, or their representative is punishable by fine and imprisonment.

Name of Purchaser or Lessee _____ Signature _____ EIN _____ Date _____

Street _____ City _____ State _____ ZIP Code _____

1. ACCEPTANCE AND VALIDITY:

For this certificate to be valid, the seller/lessor shall exercise good faith in accepting this certificate, which includes: (1) the certificate shall be completed properly; (2) the certificate shall be in the seller/lessor's possession within 60 days from the date of sale/lease; (3) the certificate does not contain information which is knowingly false; and (4) the property or service is consistent with the exemption to which the customer is entitled. For more information, refer to Exemption Certificates, Title 61 PA Code §32.2. An invalid certificate may subject the seller/lessor to the tax.

2. REPRODUCTION OF FORM:

This form may be reproduced but shall contain the same information as appears on this form.

3. RETENTION:

The seller or lessor must retain this certificate for at least four years from the date of the exempt sale to which the certificate applies.

DO NOT RETURN THIS FORM TO THE PA DEPARTMENT OF REVENUE.

4. EXEMPT ORGANIZATIONS:

This form may be used in conjunction with form REV-1715, Exempt Organization Declaration of Sales Tax Exemption, when a purchase of \$200 or more is made by an organization which is registered with the PA Department of Revenue as an exempt organization. These organizations are assigned an exemption number, beginning with the two digits 75 (example: 75-00000-0).

GENERAL INSTRUCTIONS

Those purchasers set forth below may use this form in connection with the claim for exemption for the following taxes:

- a. State and Local Sales and Use Tax;
- b. PTA rental fee or tax on leases of motor vehicles;
- c. Hotel Occupancy Tax if referenced with the symbol (●);
- d. PTA fee on the purchase of tires if referenced with the symbol (+);
- e. Vehicle Rental Tax (VRT)

EXEMPTION REASONS

- 1.) Property and/or services will be used directly and predominately by purchaser in performing purchaser's operation of:
- A. Manufacturing B. Mining C. Dairying D. Processing E. Farming F. Shipbuilding

This exemption is not valid for property or services which are used in: (a) constructing, repairing, or remodeling of real property, other than real property which is used directly in exempt operations; or (b) maintenance, managerial, administrative, supervisory, sales, delivery, warehousing or other nonoperational activities. Effective October 1, 1991, this exemption does not apply to certain services and PTA tire fee.

- 2.) Purchaser is also:
- + A. Instrumentality of the Commonwealth.
 - + B. Political subdivision of the Commonwealth.
 - + ● C. Municipal Authority created under the "Municipality Authorities Acts".
 - + ● D. Electric Cooperative Corporations created under the "Electric Cooperative Law of 1990".
 - + ● E. Cooperative Agricultural Associations required to pay Corporate Net Income Tax under the Cooperative Agricultural Association Corporate Net Income Tax Act (exemption not valid for registered vehicles).
 - + ● F. Credit Unions organized under "Federal Credit Union Act" or Commonwealth "Credit Union Act".
 - + ● G. United States Government, its agencies and instrumentalities.
 - + ● H. Federal employee on official business (Exemption limited to Hotel Occupancy Tax only. A copy of orders or statement from supervisor must be attached to this certificate.)
 - + I. School Bus Operator (This Exemption Certificate is limited to the purchase of parts, repairs or maintenance services upon vehicles licensed as school buses by the PA Department of Transportation. For purchase of school buses, see NOTE below.)

- 3.) Property and/or services will be resold or rented in the ordinary course of purchaser's business. If purchaser does not have a PA Sales Tax License Number, complete Number 7 explaining why such number is not required. This Exemption is valid for property or services to be resold: (1) in original form; or (2) as an ingredient or component of other property.

- | | | |
|--|---|---|
| <p>4.) <u>Renewable Entities beginning with the two numbers 75:</u></p> <p>A. Religious Organization
B. Volunteer Firemen's Organization
C. Nonprofit Educational Institution
D. Charitable Organization</p> | <p><u>Permanent Exemptions beginning with the two numbers 76:</u></p> <p>E. School District</p> | <p><u>Special Exemptions:</u></p> <p>F. Direct Pay Permit Holder
+ ● G. Individual Holding Diplomatic ID
H. Keystone Opportunity Zone
I. Tourist Promotion Agency</p> |
|--|---|---|

Exemption limited to purchase of tangible personal property or services for use and not for sale. The exemption shall not be used by a contractor performing services to real property. An exempt organization or institution shall have an exemption number assigned by the PA Department of Revenue and diplomats shall have an identification card assigned by the Federal Government. The exemption for categories "A, B, C and D" are not valid for property used for the following: (1) construction, improvement, repair or maintenance of any real property, except supplies and materials used for routine repair or maintenance of the real property; (2) any unrelated activities or operation of a public trade or business; or (3) equipment used to maintain real property.

- 5.) Property or services will be used directly and predominately by purchaser in the production, delivery, or rendition of public utility services as defined by the PA Utility Code.

This Exemption is not valid for property or services used for the following: (1) construction, improvement, repair or maintenance of real property, other than real property which is used directly in rendering the public utility services; or (2) managerial, administrative, supervisor, sales or other nonoperational activities; or (3) tools and equipment used but not installed in maintenance of facilities or direct use equipment. Tools and equipment used to repair "direct use" property are exempt from tax.

- 6.) Vendor/Seller purchasing wrapping supplies and nonreturnable containers used to wrap property which is sold to others.

- 7.) Other (Attach a separate sheet of paper if more space is required.) _____

"How Does the Board Govern and Evaluate Itself?"

Adapted from Board Members Rule: How to Be a Strategic Advocate for Your Nonprofit.

Before the board can govern the organization, it must be able to govern itself. The structure, customs, methods, training and actions of the board will have a huge impact on how effective the board can be. If the current board structures are not working, then you will need to change them. The structures that guide the board-both written (by-laws) and customary (habits)-will either create a stimulating experience or stifle it.

For instance, how does the board set meetings? One of the biggest challenges all boards face is scheduling, given the busy lives we all lead. While busy people can and do get things done, if you can make it easier for folks to participate, that can broaden the scope of who is on your board. Alternatives should be explored such as video conferencing, teleconferencing, online meetings, and chat rooms for board discussion.

Although the better practice is for the board to meet in person (communication is always best in person and some states require this), there is room for creativity. Check your state's regulations (e.g., California law states that "members of the board may participate in a meeting through use of conference telephone, electronic video screen communication, or other communications equipment"). This is the 21st Century; you can use email, voice mail, cell phones, and/or faxes to communicate and to increase involvement. Balance is the key. Consider creating a listserv to keep board members informed, but remember that too much email is a quick way to burn people out. Also consider meeting in different locations to accommodate those who must travel long distances, and experiment with a more informal meeting location (someone's home instead of an office).

Agenda, Minutes and Decisions

Setting the agenda and taking minutes are often greatly underrated as areas for board governance. A good board can be lost by a poor agenda and you will increase follow-up if the minutes record all the tasks that individuals agreed to take on. Every meeting should reflect the understanding that, as board members, your responsibility is to ensure that the organization's mission is carried out effectively. If you have developed a strategic plan, the agenda should use the plan as a tool for measuring progress. If the agenda focuses on strategic, forward-looking matters, and board members discuss items using a strategic advocacy perspective, this will generate discussion that is intentional and action-focused, rather than a tedious presentation of staff and committee reports. The goals and objectives are benchmarks for the board to monitor and can be included as agenda items. Are you meeting your goals and objectives and if not, why not? For "routine" and non-controversial action items, a consent calendar helps dispense with them quickly.

One of the most important documents for board participation is minutes, though people are rarely trained on how to take minutes. Minutes should summarize briefly the high point of discussion items, in particular those that led to decisions. Decisions should be recorded (often with votes) and all actions that anyone agreed to do, whether part of a critical decision or not, should be listed with a "who said they would do what, and when." This last point is often neglected and encourages a lack of accountability. Ridiculously long, "he said/she said" minutes are a waste of everyone's time. There may be an exception for a controversial decision or a very long and strategic discussion, but generally all discussions/decisions should be no more than one to two paragraphs.

Rather than a quick approval of the minutes, the board should review past action items and decisions and request updates on implementation of decisions from earlier meetings. Board and staff are therefore held accountable for what they have agreed to do. Too often boards let items slide and go on to new initiatives before past decisions are implemented.

While very small boards may work well without structure, almost all boards need procedures for making decisions. At minimum there must be a policy (often included in the by-laws) for making critical decisions:

- How many members must be present (quorum) to make a decision?
- Who gets to vote?
- How many votes are needed for a decision to be upheld?

Generally, large or older nonprofits use Robert's Rules of Order, which has been in existence since the 19th Century and is based on formal parliamentary procedures used by governments. For an updated 21st Century approach or for small to medium-sized nonprofits, Roberta's Rules of Order provides a less formal and more flexible approach. It emphasizes dialogue over debate with a broad view of consensus (agreement to abide by a decision not necessarily agree with it).

Board Evaluation

The confidence and efficiency of your board of directors have a significant impact on your organization's effectiveness and are critically important to its health and long-term sustainability. To gauge the effectiveness of your board of directors, once a year (or at least every other year) the board should implement an evaluation process. Many boards use some type of grid that is given to board members for confidential responses. This is then used as the basis for planning for board development. It may involve board training (an overlooked area) or some focus or action (review by-laws, create fundraising committee, research executive compensation, etc). Typically board members fill out a grid reviewing a list questions in areas such as governance, fundraising, recruitment, financial, management, fiduciary and planning practices, indicating whether the board does this activity effectively, sometimes or not at all. Board Members Rule has 125 questions in its board member evaluation grid: typical questions might include:

- Are board members engaged, participating and enthusiastic?
- Is there a clear policy on the responsibilities of board members in fundraising?
- Is the diversity of the community represented on the board?
- Does the board review the compensation package of top executives for reasonableness?
- Has the board adopted a conflict of interest policy?
- Do board members review the agency's Federal Form 990 each year?
- Are board members knowledgeable about the organization's services and programs?

Any board self evaluation should identify areas for future board training. No board is completely up to snuff in all areas of governance. The board can then strategically review areas of board weakness and strength and schedule trainings or discussions for all board members as necessary.

Source: <http://www.zimmerman-lehman.com/howdoestheboardgovern.htm>

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Board Member Training and Job Description: A Helpful Start!

Nonprofit boards of directors are often criticized for evidencing too little interest in their organizations, or -- the opposite problem -- for micro-managing. In the first case, the board is not doing enough for the organization: not raising enough money; not evaluating the executive director; not setting policy; not giving direction. In the second case, the board is interfering with day-to-day management: remaking decisions of the executive director regarding how a policy is carried out; giving staff directions without checking with the director to see if staff have the time or skills to carry out the task; purchasing equipment or materials; or wanting detailed reports from staff about a particular project without going through the executive director.

Particular nonprofit cultures contribute to these maladies. The uninvolved or rubber-stamp board, working with a strong executive director (possibly the founder) simply okays almost all requests, budgets and agendas presented to them. The overly involved board may have run the organization before any staff was hired, and they may continue to maintain proprietary interest in the running of the nonprofit. This malady is exacerbated if the executive director is not a strong leader. The personalities of the members of both the board and the staff can play a role that encourages either extreme, and the organization suffers because the board is not focusing on what it should be doing.

What can be done in this situation? To begin with, it helps if everyone involved with the organization-- particularly the board members and the executive director -- has a clear understanding about who does what, whose responsibilities are whose and what the procedures are that must be followed to carry out the organization's mission and purpose. Zimmerman Lehman believes that training is critical....just like you would do for any staff person, board members need to be informed of their responsibilities right from the start. While such tutoring will not change a long history and culture of indifference or meddling, it will set the stage for doing things right.

Where does the process of educating the board begin? The recruitment package should include a job description for each potential board member. Telling prospective board members that financial contributions are expected is far easier than springing the news on them a year after they've joined. We at Zimmerman Lehman cringe when we hear the all too familiar comment, "But I was told I would not have to do any fundraising when I joined the board." In addition, responsibilities like reviewing minutes and agendas prior to coming to the board meeting, attending board meetings, and participating in committee work and the annual planning retreat all should be included in the description. If you don't have a board member job description, be sure to include its development as a topic at your next board meeting.

Your nonprofit organization should determine the specific expectations you have for your board members (part of their job description). A sample list of an individual board member's responsibilities follows:

- Attend regularly scheduled board meetings
- Review minutes and stay well-informed regarding the organization's fiscal and program work
- Participate in setting overall policy and program oversight
- Participate in the performance evaluation of the executive director
- Participate actively on at least one committee of the organization
- Actively raise funds for the organization by direct contact with current and prospective donors, including personal friends and colleagues, with assistance from staff
- Actively participate, once a year, in an annual planning retreat
- Contribute annually from personal resources to the extent of capacity
- Speak on behalf of the nonprofit to the community

Being a board member means more than just showing up at meetings; it involves being well- informed and asking difficult questions, participating in planning and policy making, ensuring a sound financial footing, and monitoring and evaluating the management and governance of the organization.

Source: <http://www.zimmerman-lehman.com/boardmemberhelpfulstart.htm>

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Resources

Montana Nonprofit Association (www.mtnonprofit.org)

IRS (<http://www.irs.gov/charities/charitable/index.html>)

Zimmerman Lehman (<http://www.zimmerman-lehman.com/freeresources.htm>)

GuideStar.org (www.guidestar.org)

TechSoup.org (www.techsoup.org)

The Internet

