LEAGUE OF WOMEN VOTERS® OF MASSACHUSETTS

# IMPORTANT INFORMATION FOR LOCAL LEAGUE TREASURERS

Thank you for agreeing to serve your local League as Treasurer. Your service is important in assisting your League to achieve its goals and meet its responsibilities. Below is an outline of the Treasurer's responsibilities. Although each local League is different, this outline is a good starting point.

## Treasurer's Responsibilities

**1. Keep careful records of all income and expenses and report regularly to your board**. Prepare and present a monthly Treasurer's report at each board meeting. The entire board is responsible for making sure funds are properly used. At least every three months, present a budget to actual report comparing year-to-date income and expenses with the budget.

**2. Pay the bills.** The Treasurer's books are permanent records of your League's activities. Make sure your documentation is clear and consistent. The board member who authorized the expenditure should verify the amount and indicate the budget line item they would like to use. Remember that the Treasurer should keep records for at least seven years.

**3. Prepare voucher forms and give copies to all board members**. Explain the policies for reimbursement. Don't forget to ask board members to fill out a voucher for donated expenses.

**4. Work in the LWVUS Member Portal**

- **Credit Card Payments:** Regularly monitor membership payments and donations made by credit card in the "Stripe Management" section of the LWVUS Member Portal.

- **Stripe Account:** When your League appoints a new treasurer, be sure to update your Stripe account owner's information and associated Social Security number.
  - *Note: These updates must be made directly in your League's Stripe account, not through the Member Portal.*

- **Check Payments:** Coordinate with your League's membership chair to record and send any check payments for membership to LWVUS. Once received, LWVUS will deposit your League's share of the payments via direct deposit.

- **Financial Notification**: Be sure to verify that the "Financial Notification" email listed in the "League Profile" section of the portal is accurate. This email address will receive:
  - Notifications identifying which check-paying members are included in each deposit from LWVUS.
  - Copies of failed credit card payment notices sent to members, keeping your League up to date.

- **Stay Connected:** To connect with other treasurers across the country regarding Member Portal tasks, join the LWVUS Treasurer Group on Groups.io to share information and ask questions. For more information about this email group, contact lwvma@lwvma.org.

***5.* Liability Insurance**. LWVMA's Business Owner's Insurance Policy provides liability coverage for Local League events. However, a certificate provided by the insurance company is necessary before the event begins. Ask the Office Staff to provide this to you. There is no charge for this service.

**6. The Treasurer usually serves on the Finance and/or Budget Committee.** Budget Committees usually begin to meet in January or February.

**7. Closing the Books.** The books should be closed and financial statements prepared as soon after the year end as possible. Financial statements include a Statement of Financial Position (Balance Sheet), Statement of Activity (Income Statement) and Statement of Cash Flows. If you keep your books on a cash basis, the Statement of Cash Flows may provide much of the same information as your Statement of Activity. Each year you should ensure that your books and financial statements are verified.

This verification may be done by a CPA, former Treasurer, League member with experience in this area, or committee appointed by your board. If your League has gross annual support and revenues above $500,000, the Attorney General requires an audit or review. Check the AG's website at www.mass.gov for more information. The verified financial statements should be presented at a board meeting.

**8. DON'T FORGET TO FILE YOUR TAX RETURN!** Local Leagues in Massachusetts are considered nonprofit organizations under a group exemption held by the LWVMA and are exempt from the payment of certain federal income taxes under Section 501(c)(4) of the Internal Revenue Code. However, your organization MUST file informational tax returns with the IRS and perhaps other State organizations and may be responsible for paying taxes. Below is a list of the most common filing requirements for local Leagues.

- **Tax returns are due on the 15th day of the 5th month after your year ends**. If the 15th falls on a weekend or federal holiday, the deadline moves to the next business day. **If your fiscal year ends on June 30, your return would be due November 15.** If you need more time to file a return, an extension may be available. Please review IRS guidance before the deadline.
- **Form 990-N, Electronic Notice *(e-postcard)* for Tax-Exempt Organizations not required to file Form 990 or 990-EZ** If your gross receipts are normally $50,000 or less, this is all you need to file. Please see the next page for specific instructions.
- **Form 990-EZ Return of Organization Exempt from Income Tax.** Form 990-EZ can be filed by organizations with gross receipts of less than $200,000 and total assets of less than $500,000 at the end of their tax year.
- **Form 990-T Exempt Organization Business Income Tax Return.** Although generally nonprofit organizations are exempt from paying income tax, they may be required to pay taxes on income not related to their exempt purpose. This type of income is often referred to as Unrelated Trade or Business Income. Each year, you should consider if your League has this type of income. Examples of Unrelated Trade or Business Income include holding a yard sale, selling advertising in your Bulletin and selling books. **If you have gross income of $1,000 or more** from this type of activity, you should file Form 990-T.

- **Sales Tax** Although local Leagues are nonprofit organizations, they should still collect and remit sales tax to the Commonwealth. Most local Leagues are required to remit sales tax annually, quarterly, or monthly depending on the amount of tax collected. Please confirm your filing frequency and due date with the Massachusetts Department of Revenue at www.mass.gov/dor. Also, remember to pay sales tax on your purchases.
- **Annual Report** If your local League is incorporated (Andover/North Andover, Boston, Needham, Westwood-Walpole-Dedham, etc.), you must file an annual report with the Secretary of the Commonwealth.

## Special instructions for Filing Form 990-N (electronic postcard)

***My League is small. Do we need to file the e-Postcard?***
Yes. There are only two exceptions:

- Leagues that must file Form 990 or Form 990-EZ instead
- Leagues that are eligible to file the e-Postcard may choose to file a Form 990 or Form 990-EZ

***Who can file?***
Organizations with gross receipts normally less than or equal to $50,000.

***How do I file?***
• Register as a new user, or use existing user name/password on the e-Postcard website.
• Complete and submit your League's e-Postcard.

***What Information will my League Need to Provide?***
• Its Federal Employer ID number (EIN)
• Its tax year-end date
• Its legal name and mailing address
• Its website address, if it has one
• Confirmation that its annual gross receipts are $50,000 or less.
• Name, address of principal officer
• Name, email address of person completing form;
• Because Mass. local Leagues are included in LWVMA's group exemption, in most cases, your League's "legal name" will be "League of Women Voters of Massachusetts." Use your League's name as the "DBA" name ("doing business as"), e.g., League of Women Voters of Northampton.
*See next page for exceptions.

***When is the e-Postcard due?***

• The 15th day of the fifth month following the end of your League's tax year (e.g., November 15 for tax years ending on June 30). If the 15th falls on a weekend or federal holiday, the deadline is moved to the next business day.
• There is no monetary penalty for filing late.
• But… three strikes and you're out – organizations that fail to file for 3 consecutive years will automatically lose their tax-exempt status.

**Tips**

• If you need help with the e-postcard form, contact IRS tech support at (866) 255-0654 or epostcard@urban.org.
• Education Funds must file a separate e-postcard return unless they are part of the state or national education fund.
• Use a post office box for your League's mailing address.

** If your League's IRS exemption was revoked and then was reinstated, your League's legal name will probably be the same as your DBA name. Please check the documentation that came from the IRS to confirm.

**Important Dates:**

- **4 ½ months after a fiscal year ends:** (e.g. Nov. 15 if your fiscal year ends on June 30) Form PC with Attorney General's Office, if needed
- **15th day of the 5th month after a fiscal year ends:** (e.g. Nov. 15 if your fiscal year ends on June 30) Form 990-N (e-postcard) due to IRS or Form 990, Form 990-EZ, or Form 990-T
- **November 1:** Annual Report with the Secretary of the Commonwealth, if incorporated
- **Annually/Quarterly/Monthly:** Sales tax due dates depend on your filing frequency. Check the current schedule at www.mass.gov/dor.
- **January/February:** Start Budgeting Process

## Helpful Websites

- **IRS:** www.irs.gov
- **Mass. Dept. of Revenue**: www.mass.gov/dor
- **Secretary of the Commonwealth:** www.sec.state.ma.us
- **Mass. Attorney General:** www.mass.gov/ago