



The League of Women Voters

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 line budget line 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. **Keep an accurate record of your League's membership** during each year, including names of new members, transfers from other Leagues, and drops. Communicate regularly with the Membership Chair who is responsible for maintaining the membership roster with LWWUS and LWMMA. An annual membership count is taken at the end of January each year.
5. **Keep the LWWUS and LWMMA informed of changes on a regular basis.** You and the Membership Chair are responsible for regularly examining the LWWUS online membership database roster. Please submit all corrections, additions and other changes to the LWWUS online. At the same time, please let the LWMMA office know of any changes. By submitting changes regularly, mailing lists for publications and correspondence from LWWUS and LWMMA remain accurate.
6. **Liability Insurance.** LWMMA'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.
7. **Assessments.** Payments to LWWUS and LWMMA are due quarterly (July, October, January, and April.) Both the LWWUS and LWMMA will send you invoices.
8. **Use of Tax-Deductible Contributions to Pay Your Assessment.** You have the option of paying a portion of your LWWUS assessment in the form of tax deductible gifts to the LWWUS Education

Fund. For instructions on how to pay LWVUS assessments with tax-deductible contributions, contact the LWVUS office or see your bill.

9. **The Treasurer usually serves on the Finance and/or Budget Committee.** Budget Committees usually begin to meet in January or February.
10. **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 \$100,000, the Attorney General requires an audit or review. Check th AG's website at www.mass.gov for more information. The verified financial statements should be presented at a board meeting.
11. **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 your fiscal year ends on June 30, your return would be due November 15.** If you need more time, you can request an extension by filing Form 8868.
 - **Form 990-N, Electronic Notice (e-Postcard) for Tax-Exempt Organizations not required to File Form 990 or 990EZ.** 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. Remember gross income is the amount you made before any costs are considered. If you keep your books on a cash basis, gross income will most likely be what you collected.
 - **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 or quarterly. Also, remember to pay sales tax on your purchases.
 - **Annual Report** If your local League is incorporated (Andover/North Andover, Boston, Needham, and Westwood-Walpole), 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: <http://epostcard.form990.org/>
- 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 below 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).
- 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:

July	1 st Quarter Assessment due to LWVUS and LWVMA
October	2 nd Quarter Assessment due to LWVUS and LWVMA
October 15	Form PC with Attorney General's Office, if needed
November 1	Annual Report with the Secretary of the Commonwealth, if incorporated
November 15	Form 990-N (e postcard) due to IRS or Form 990, Form 990 EZ or Form 990-T
January	3 rd Quarter Assessment due to LWVUS and LWVMA Sales Tax due, if filing annually
January/February	Start Budgeting Process Report membership count with Membership Chair
April	4 th Quarter Assessment due to LWVUS and LWVMA

Helpful Websites:

The League of Women Voters – US	www.lwv.org
	http://forum.lwv.org/category/member-resources/manage-your-league/league-finances/fiscal-management
The League of Women Voters of Massachusetts	www.lwvma.org
Internal Revenue Service	www.irs.gov
Mass. Dept. of Revenue	http://www.mass.gov/dor/
Secretary of the Commonwealth	www.sec.state.ma.us
Mass. Attorney General	http://www.mass.gov/ago/