



GFWC Florida
GENERAL FEDERATION *of* WOMEN'S CLUBS
living the volunteer spirit



CLUB TREASURER MANUAL

Dianne Foerster
GFWC Florida President

Candice Postel
GFWC Florida Director of Junior Clubs

Cathy Geary
GFWC Florida Treasurer

Revised May 2020

TABLE OF CONTENTS

1. General Information

Duties of the Club Treasurer	1
Club Funds	3
Treasurer's Books	4
Checkbook and Bank Statements	4
Club Budget	5
Annual Budget Preparation	6

2. GFWC Florida Information

GFWC Florida Dues	9
GFWC Florida Remittance Form	10
Dues Payment	10-11
GFWC Florida Mall	11
Membership Update Form	11
Contributions to GFWC Florida	12
Official Membership List	13

3. GFWC

GFWC Contributions	14
GFWC Clubwoman Magazine	14

4. Financial Advice

Incorporation	15
Corporate Annual Report	15
Exemption from Florida Sales Tax	16
Florida Sales and Use Tax	16
Florida Department of Agriculture	16
IRS 501 (a) Exemptions	17
IRS Form 990	17
Federal Tax ID Number	17
IRS Non-Profit Status 501(c)3	18
501(c)3 Determination Letter	19
DR-5 Sales Tax Certificate of Exemption	19

5. Designated and Restricted Funds

Difference Between Designated and Restricted Funds	21
--	----

SECTION ONE: GENERAL INFORMATION

This manual is intended to put forward information as a guideline. All clubs Bylaws and Standing Rules will take precedence. Also, be aware that State and Federal websites and rules and regulations are subject to change prior to this manual being updated. Please make sure you are using current State and Federal information and documents.

Duties of the Club Treasurer

The Treasurer of an organization is the officer entrusted with its funds. Actual duties and obligations of a club treasurer are usually outlined in the club's bylaws. Beyond integrity, qualifications for the office include promptness, willingness, accuracy, knowledge of the general practice of bookkeeping, and the ability to work within the financial procedures, which may be required. A good treasurer takes her obligations and responsibilities very seriously.

Depending upon the bylaws of the club, the treasurer may have the following duties:

1. Serves of custodian of all funds.
2. Receives and disburses money as authorized by the club. The treasurer must have authority for disbursements, such as the approval of the executive board or whatever rules the club wishes to set to regulate the method of handling finances.
3. Develops a club budget, serving as chairman of a budget committee.
4. Keeps a permanent record book for all money received and paid out, such as a journal for receipts and disbursements, and a ledger into which the totals are transferred at the end of each month. Your club probably has a system, which has been in use for some time. If not, now is the time to develop a set of books.
5. Collects dues, keeping an up-to-date record of members in good standing and notifying members of their financial obligations, unless otherwise noted in the

club bylaws. Sometimes these duties are the responsibility of the membership chairman or secretary.

6. Collects other money from members. It is wise to issue a receipt, especially if you are given cash. A cash book is often used in which you list all money received by whom, what for, and the amount. This is later transferred to your journal.
7. Deposit funds in club designated bank account(s). This should be done in a timely manner especially if your club has interest bearing accounts.
8. Prepares a full financial report each month reflecting **RECONCILED** bank account balances(s). Lengthy reports involving figures are difficult to follow when read orally. Therefore, it is helpful to type the reports and distribute copies to the membership. Some clubs prefer that a shorter version be given at the monthly meetings using only totals, with a complete written report available for the board of directors and to the members at the annual meeting. Some clubs include the monthly financial report in their newsletter.
9. Signs all financial reports. Copies are given to the president and the secretary. Two copies should be retained for the treasurer's files. The extra copy may be needed for the annual report or to give to the auditor at the end of the fiscal year.
10. Submits all books, records, bank statements, bills and any other relevant material to an auditor or auditing committee at the end of the club's fiscal year. The auditor may be an accountant, a CPA or a committee of members appointed by the president to perform the audit.
 - (a) The auditor or auditing committee shall examine all financial records of the treasurer, which shall be submitted as soon as possible after the close of the fiscal year or the time designated by the club bylaws.
 - (b) The report of the auditor is to be submitted to the club for adoption.
 - (c) If the club uses an auditing committee, the number of members and their impartial status should be outlined in the club's bylaws. The treasurer should never be a member of this committee, although she should be available to answer questions.
11. Files the necessary State and Federal Returns on time.

CLUB FUNDS

1. The funds of the club should be deposited in a bank, or banks, as designated by the club. A Federal Tax Identification Number is required by banking institutions.
2. All bank accounts should be in the official name of the club.
3. The club will need to give the bank(s) written authority regarding who is authorized to sign club checks. The bank(s) will provide signature cards for this purpose. While anyone can deposit money in such accounts, only authorized persons can withdraw or write checks on these funds.
4. Anyone depositing money other than the treasurer should follow the club/treasurer requirements such as: making copies of checks deposited and an itemization of both checks and cash (who and why). **IMPORTANT**, the treasurer should be notified immediately of the deposit in order to balance the account and determine where to allocate the funds. Some clubs create a form with deposit procedure instructions to present to the treasurer.
5. In addition to the treasurer, one or two other officers should be authorized to sign checks and withdraw money since there may be times when the treasurer is absent or unable to serve. If your bylaws require two signatures on all checks, it is advisable to have the president and the recording secretary as signers also. Make sure all club checks are properly filled out and properly signed.
6. If only one signature is required on checks, it is recommended that the person be bonded. The club should pay for the bond. Bonding is purchased from an insurance agent/company.
7. The retiring treasurer should obtain the necessary signature cards in advance for the incoming administration. It is helpful to take the new treasurer to the bank personally to arrange for an orderly transfer.
8. Monthly statements should be mailed to the treasurer at the address of her choice, usually her residence or the club post office box. It is not advisable to have the statements mailed to the clubhouse unless the mail is checked daily. Copies of the monthly bank statements should be given to the club president. It should be noted that accessing bank statements by email is as effective as receiving them in the mail. It is also recommended that the additional signers on the account have access to the account activity online.

9. The club should rent a safety deposit box to store important club papers. Three officers are usually authorized to enter the box with two of the three signatures required at any one time to enter. Valuable papers, leases, deeds, the charter and other official documents should be kept in the safe deposit box. Never allow important papers to be kept by individual members.
10. Special funds may be kept in separate accounts. Many clubs keep special funds in a savings account or in a certificate of deposit (CD) if enough money is available. Money market accounts are a good investment for your purposes. Interest bearing accounts are available at most banks. If possible, try to put the club's money in accounts which will earn interest even if the rate is not very high.

TREASURER'S BOOKS

A proper system of bookkeeping is invaluable and makes the job of treasurer much easier. A cashbook, a journal and a ledger are important tools to assist you, along with a checkbook. Many people own personal computers and find the record keeping easier using it. However the records are kept, they should be accurate, always up to date and in such form that on very short notice, a report can be made on the amount of cash on hand with the total receipts and disbursements. You should be able to tell any officer or chairman how much money has been spent in her area of responsibility and how much remains in the budget. If a computer is used for record keeping, the reports should be in a format that can be easily understood by your members and transferable, should the occasion arise.

CHECKBOOK AND BANK STATEMENTS

Here is a tip for keeping the checkbook! Enter the amount of the check in black ink, deposits in red ink, and balances in pencil. When the bank statement arrives, check off those checks which have been return in green ink. At a glance you can distinguish what you have done.

You will find a form on the back of the bank statement to assist you in reconciling the checkbook and the statement. **THIS MUST BE DONE EVERY MONTH.** Be sure to report any earned interest as income on the monthly financial report to the club.

DISTRICT TIPS FOR TRACKING DISTRICT FUNDS

Please see the District Director Manual for hints and tips on "How to obtain a District EIN and checking account".

CLUB BUDGET

All clubs need to practice sound financial procedures, one of which is developing the annual budget. A budget is an itemized estimate of income and disbursement for a given period of time, which serves as a guideline for the club in all financial matters. There should be a committee to prepare and present the annual budget. Follow the budget procedures established by the club bylaws. It is suggested that the treasurer (incoming and/or outgoing) be a member of the budget committee. She can advise the committee as to receipts and disbursements. The budget is usually presented at the annual meeting although another meeting may be designated by the bylaws. Some clubs adopt the annual budget in September or the first meeting in the fall.

When the budget is presented for adoption, it should be read line by line. It is helpful if all those in attendance have a copy with which to follow along. Each line item is open for discussion and/or amendment. If amendments are proposed, they are voted upon. When discussion ends and all amendments have been considered, a motion to adopt the budget as written (or amended) is voted upon by the membership. A majority vote in the affirmative is required for adoption.

Approving or adopting the budget is **NOT** necessarily consent to disburse the money. (On occasion the funds may not be available.) The budget is a statement of anticipated income and disbursements for the administration and activities of the club for the ensuing year. Authorization for the payment of expenses listed in the budget usually comes from the president or board of directors rather than going back through the membership. At any rate, the method of approval of payment of bills should be specified in the club bylaws.

Budgets may need to be amended throughout the year. Sometimes money has been budgeted for a project that, for one reason or another, the club will not be doing. At other times, the club may wish to add a project that was not known when the budget was adopted. The budget may be amended with a motion "to amend something previously adopted" which will require a 2/3 vote of those present and voting. There may be times that the budget must be amended in order to move money from one account to another.

It is the duty of the treasurer to keep a watchful eye over the expenditures. It is her responsibility to advise when expenditure exceeds the amount budgeted for that purpose and to remind members of financial obligations when they propose to spend generously on other projects. The board should be advised each month of the items expected to be paid in the current month per the approved budget. That will give the

board a chance to rethink their expenses before the money is actually spent. The treasurer is the one who knows the money still to be paid and of any possible extra income or expenses not previously planned. However, she must always keep in mind that these are club funds and if the assembly, after correctly amending the budget, wished to spend money in a different manner, she will be obligated to follow their directions. **NO OFFICER HAS THE AUTHORITY TO SPEND UNBUDGETED MONEY WITHOUT PRIOR APPROVAL OF THE MEMBERSHIP** (unless your bylaws or financial policy states that an officer, ie: President has the authority to spend up to a certain amount at the discretion of her office).

NOTE:

The computer program QUICKEN is very user friendly and greatly decreases the workload and paperwork of the treasurer. It also gives a very understandable and comprehensive series of reports and bank statement reconciliation. The program can be passed to an incoming treasurer to allow for consistency.

Annual Budget Preparation

1. Why should you prepare an annual budget?
 - a. It gives you the real picture of what you can afford and where your gaps in funding are.
 - b. It allows you to plan your needs beforehand and decide how much you can actually spend during your fiscal year.
 - c. A budget can motivate your membership to be creative and successful in finding ways to fund your treasury.
2. Budgets are prepared by Fiscal Year. Fiscal year simply means “financial year,” and is the calendar you use to figure your yearly budget.
 - a. Your fiscal year determines when you file tax forms, get audited and close your books. An example would be January 1 to December 31 or June 1 to May 31.
 - b. A budget committee should be established and include the incoming and outgoing treasurers, as they can advise the committee on receipts and disbursements.
 - c. The committee should prepare a proposed budget covering the clubs fiscal year and present it to the Board of Directors for approval before the fiscal year begins.
 - d. Some clubs adopt the annual budget during their first meeting in the fall, although another meeting may be designated by your bylaws.
3. Estimating Expenses:

- a. Your treasurer should provide the budget committee with a list of recurring expenses like (office supplies, advertising, insurance, taxes, maintenance, utilities, fees, dues to state, etc.)
 - b. Hold some money in a “miscellaneous” category, to be prepared for unexpected costs.
 - c. When possible, use actual figures from previous expenses. When estimating expenses, guess high. For example, take your highest monthly phone bill and multiply it by 12.
 - d. Refer to the GFWC Florida Remittance Form for a list of our partners and GFWC Florida Funding to determine your clubs annual federation contributions.
 - e. List other club approved contributions such as school scholarships.
 - f. List estimated expenses for things you aren’t sure you can afford but would like to do.
4. Add up all the expense items you have listed.
5. Where are you going to get all that money?
- a. Use last year’s figures as a baseline and estimate conservatively.
 - b. List actual figures or estimates for what you can expect from your known funding sources. Such as grants, rental income, donations from corporations or other private entities.
 - c. Estimate fundraising amounts you’ll raise during the year.
 - d. If you charge fees or sell services, estimate the income (this could be selling training materials you created that can be sold)
 - e. Estimate membership dues retained by the club
 - f. Do you sell items like pins, t-shirts, books, etc. that yield a profit?
 - g. Do you have any income from investments?
6. Add up the income you have listed
7. The easiest way to keep track of your budget is by using a spreadsheet.
- a. Create a grid with income categories running down the left and the proposed income to the right of the line item. Total the income.
 - b. Repeat the process for expenses.
8. Compare your total expenses to your total income
- a. If your projected expenses and income are approximately equal, then your budget is balanced.
 - b. If your projected expenses are significantly less than your projected income, you have a budget surplus.
 - c. If your projected expenses are significantly greater than your projected income, you have a budget deficit.
 - i. If this is the case, you’ll either have to find more money or cut expenses in order to run your organization.

9. Working with your budget
 - a. Each month, the treasurer should provide their Board with a balance sheet showing how the money was allocated along with budgeted balances so they have a clear picture of the clubs finances.
 - i. Some clubs use a computer program such as Quicken. It's user friendly and decreases the workload and paperwork of the treasurer. It also gives a very understandable series of reports and bank statement reconciliation.
 - ii. By purchasing an accounting program, it can be passed from one treasurer to another allowing for consistent records.
 - b. Some clubs have both a treasurer and assistant treasurer. You may want to consider splitting the responsibilities so that there is a checks and balance system.
 - i. For example: The treasurer might be responsible for bank deposits, disbursements and the balance sheet, while the assistant treasurer would reconcile the check book.
 - ii. The GFWC FL auditor recommends that if only one person is handling the finances, that the club president receive a copy of the monthly bank statement.
 - iii. This does not mean that you lack trust in your treasurer. It's just good business.

SECTION TWO: GFWC FLORIDA INFORMATION

GFWC FLORIDA DUES

Annual dues to GFWC Florida should be postmarked on or before **December 15** of each calendar year. In order to earn Honor Score points, this date must be observed.

*Dues are **delinquent** as of **December 31**. Dues not received at GFWC Florida headquarters by **March 1**, will result in the club being automatically dropped from membership in federation for non-payment of dues.*

Those clubs whose yearly dues are paid between February 1 and March 1 will not receive voting credentials for the following state convention, fall board meeting or the annual district meeting. They will receive a call to each of the meetings and may attend without voting privileges. Clubs automatically dropped for non-payment of dues will be so notified by the GFWC Florida Treasurer by certified letter. Please be aware that these rules are strictly enforced.

It is important that the instructions for submitting the club's annual dues be followed carefully. Each club will designate a specific email address to receive official club correspondence and instructions. No later than October 15 of each year, membership information will be sent to the specified email address which will include the following instructions and forms:

1. The current GFWC Florida Remittance Form
2. A membership list (according to GFWC Florida records)
3. Complete instructions

The importance of following the directions cannot be stressed enough. The information provided is used to update the GFWC Florida membership list. Clubs are placed in membership categories for the judging of state awards by the information submitted. Therefore, it is vitally important that the membership list be corrected and/or updated and emailed to GFWC Florida Headquarters with the remittance form when paying annual dues.

Current dues, payable to GFWC Florida, are \$23 per member for Women's and Junior Clubs. Juniors dues are \$15 per member. Dues are distributed as follows:

Women/Junior Club members each pay \$15.00 to GFWC	\$ 8.00 to GFWC Florida
Juniorette members each pay	\$10.00 to GFWC
	\$ 5.00 to GFWC Florida

GFWC FLORIDA REMITTANCE FORM

Each year a new GFWC Florida Remittance Form is developed and is available to clubs on the GFWC Florida website prior to the GFWC Florida Fall Board of Directors meeting. Any payment for contributions or dues must be submitted on the correct form. **Please be sure that anyone sending money to GFWC Florida Headquarters has a copy of the current GFWC Florida Remittance Form to use.** The Form is located at www.gfwcflorida.com Click on Member Resources then Remittance Form.

1. Download the Remittance Form and save it on your computer. (Save As: ___Club Name_Dues20___) (This will aid the Executive Director in identifying the document if you email headquarters the completed form.) Complete the form with your club dues for the current year along with contributions to ongoing programs, GFWC Florida funding, GFWC Florida Junior Funding and Juniors Projects. The orange box will automatically calculate your total if you completed the form in your Excel program.
2. Once you have completed the Remittance Form, SAVE the form.
3. Print a copy for your records.
4. Email the completed form to: gfwcfloridaHQ@gmail.com
5. Club checks are payable to GFWC FL
6. **Dues paid by Check:** Checks are mailed to:
GFWC Florida Federation of Women's Clubs
State Headquarters
4444 Florida National Drive
Lakeland, FL 33813

DUES PAYMENT BY CREDIT CARD

GFWC Florida will accept checks and/or credit cards for payment of dues. To pay by credit card go to www.gfwcflorida.org. The Form is located in the Member Center. Once you have completed the Remittance Form with your club contributions the orange box, if completed in your Excel program, will automatically calculate your total. While logged into gfwcflorida.com, Remittance Form, you will see a box that says “**Enter Amount Here**”. Then click “**Buy Now**”.

The next box will prompt you for a description of what you’re paying for “**Remittance Form**”. Price per item is the total amount in the Remittance Form’s orange total box. Quantity is 1. Click on Continue. You will now decide if you want to pay with a PayPal account or a Debit or Credit Card.

GFWC Florida Mall

Your club may wish to purchase GFWC Florida jewelry, printed materials or fund raising items from GFWC Florida Headquarters. All items are available through the website at www.gfwcflorida.org. Simply click on the Mall tab, then click the add to cart tab. Proceed to the checkout with your credit card via Paypal. Every attempt will be made to fill your request within five working days.

MEMBERSHIP UPDATE FORM

It is important that you send a membership update form to GFWC Florida Headquarters for new members, deletions and information changes using only the current Membership Update Form provided on the website.

For example, if a member has a change of address or name, headquarters should be notified so that this information can be corrected in the database. It is also important to notify headquarters when a member is deceased so that the name may be deleted from the computer database. Headquarters has no way of knowing to delete her name unless notified by your club. If your club takes in new members during the year, this form will be used to submit the information to headquarters.

Following is the procedure for making changes to a members profile or paying for new members throughout the year (not just in December on the Remittance Form).

1. January thru September – submit changes and new member dues to GFWC FL Headquarters using the Membership Update form. (gfwcflorida.com, Member Resources, Miscellaneous Forms, Membership Update Form)

2. October thru December – submit changes on the Headquarters Membership List (emailed to clubs in October) and pay for new members on the Remittance Form due on or before December 15th.
3. GFWC Florida will accept checks and/or credit cards for payment of dues.
4. Club Treasurers are able to pay new member dues by check or online throughout the year via a credit card or PayPal.
5. Log onto gfwcflorida.com, Member Resources, Online Dues Payment.
6. Click “Add to Cart”, which will take you to checkout. At check out, enter the number of club members you are paying for and proceed with your transaction.
7. Whether paying by check or credit, be sure to submit the Membership Update form by mail or email to GFWC FL Headquarters (gfwcfloridahq@gmail.com) or the Executive Director won’t know who you are paying for.
8. Remember that the number of new member dues you paid throughout the year is to be placed in the “Minus” box on the Remittance Form Due December 15th.
9. On the Remittance Form, the 1). Total # of Members from January 1 to December 15 and 2). # of members paid for earlier in the year.

Contacts:

GFWC FL Headquarters Executive Director

Chrissy Fry

gfwcfloridahq@gmail.com

863-647-2642

Cathy Geary

GFWC Florida Treasurer

treasurer@gfwcflorida.org

813-393-6056

CONTRIBUTIONS SENT TO GFWC FLORIDA

The GFWC Florida Remittance Form lists those charities, funds and agencies to which your club can contribute through GFWC Florida Headquarters. If you wish to contribute to something not listed, please send that contribution directly to the organization. Please **DO NOT** send contributions for anything not listed on the remittance form.

DESIGNATED ACCOUNTS

When your club makes a contribution through GFWC Florida Headquarters to a certain account, charity or fund, those funds can only be used for that purpose or given to the charity. Your club may wish to contribute to those included on the current GFWC

Florida Remittance Form. Each designated account is explained on the back of the current GFWC Florida Remittance Form.

When the GFWC Florida Remittance Form is revised, the designated accounts often change due to the interest, concerns and involvement of the Federation. Accounts may be added or deleted. **Please be sure that you use only the latest revision of the GFWC Florida Remittance Form.** If in doubt, click on the website at www.gfwcflorida.org or check with Headquarters.

Remember... If it isn't listed on the GFWC Florida Remittance Form, please do not send a contribution to GFWC Florida Headquarters. Send it directly to the individual or charity.

OFFICIAL MEMBERSHIP LIST

Each year an official GFWC Florida membership list is prepared, which reflects the dues paid as of February 1. These are membership figures used in the next issue of the GFWC Florida manual. The membership figures used by GFWC Florida chairmen in determining a clubs' membership category for reporting and award purposes are those submitted and paid for by the clubs by the dues due date of December 15.

PLEASE REMEMBER THAT THE OFFICIAL MEMBERSHIP FIGURE SET ON FEBRUARY 1 WILL NOT BE CHANGED UNTIL FEBRUARY 1 OF THE FOLLOWING CALENDAR YEAR.

SECTION THREE: GFWC INFORMATION

GFWC CONTRIBUTIONS

Contributions to GFWC not listed on the GFWC Florida remittance form are to be sent directly to:

GFWC Headquarters
1734 "N" Street NW
Washington, DC 20036

GFWC CLUBWOMAN MAGAZINE

Subscriptions to the *GFWC Clubwoman Magazine* may be purchased using the form found online at www.gfwc.org, click on Publications and then on *GFWC Clubwoman Magazine*.

SECTION FOUR: Financial Advice

**(If clicking on a Link does not open the document,
copy and paste the Link to your URL)**

Incorporation

There are many reasons for incorporating your club. Incorporation turns your club into its own entity under the law. As such, even if the individual officers or directors of your club leave, the corporation still exists. In addition, incorporation limits the liability of your members. That's not to say that insurance for directors and officers and/or the club is not a good idea but it puts the assets of the club at risk and not its individual members' assets. Further, fundraising and grant eligibility may be hindered if your club is not incorporated. Also, if you plan to apply for 501(c)3 status with the IRS, you must first incorporate. Incorporation is easy. Follow the link to the application: www.sunbiz.org New Florida Non-Profit Organization. (Sunbiz is the Florida Department of State - Division of Corporations official state website.)

You can request a certified copy if required by your bank to open a bank account. **You must renew the Corporate Annual Report each year.** You will have to list a mailing address. If your club does not have a clubhouse, then you will have to select a registered agent and provide their address. If you use a club member, make sure it is someone who is not likely to leave the area or your club.

Corporate Annual Report

The Corporate Annual Report is normally sent directly to your club (if incorporated) either by mail or email. **The form is from the Department of State in Tallahassee and must be completed and returned each year by the May 1st deadline.** Failure to do so will cause your club to lose its corporate status and it's very expensive to re-file.

The form will be addressed and sent to whomever your club has designated as the registered agent. An additional fee must be paid each time your club changes the name of the registered agent. It is therefore suggested that you select someone in your club who is willing to be listed as the club's registered agent on an ongoing basis and use the club's mailing address.

All non-profit corporations are required to pay annually. Instructions may be found at www.sunbiz.org or click this link:

<http://dos.myflorida.com/sunbiz/start-business/efile/fl-nonprofit-corporation/instructions/>

Florida Department of Revenue - Sales Tax Collection And Exemption from Paying Sales Tax

Once you incorporate, you have to remit sales tax in certain situations for sales made by your club. The code is complicated and you should review the website to make sure you are complying with the appropriate tax codes. If you are not incorporated and doing a one-time event that would normally require collection of sales tax, you may be exempt from filing but you should review the requirements to determine if you qualify. Here is a link to the website with information on collecting sales tax.
http://dor.myflorida.com/dor/taxes/sales_tax.html

You can ask questions at this site and/or call the Department if you need clarification. You can also register to collect taxes.

Florida Sales and Use Tax

Current law allows non-profit organizations to conduct two fundraising events each year under the “occasional or isolated” sales tax. Three or more fundraising events in a twelve month period will obligate a club to collect sales tax, requiring a sales tax number from the Florida Department of Revenue. Once a number is issued, the club becomes a bona-fide agent of the State of Florida and, thereafter, all sales are taxable. Click link to file and pay <http://floridarevenue.com/dor/eservices/filepay.html>

Fundraising

Florida Department of Agriculture and Consumer Services

All clubs need to register with the Florida Department of Agriculture and Consumer Services under the Florida Solicitations of Contributions Act.

The Solicitation of Contributions Act requires anyone who solicits or accepts donations from people in the State of Florida to register with this Division and renew annually. This applies to charitable organizations, sponsors, professional solicitors as well as professional fund raising consultants. The Division collects registration fees and has authority to impose penalties for non-compliance.

After forming your club, **you will need to register with the Florida Department of Agriculture and Consumer Services.** Failure to register and file each year can result in large fines. To register your club, simply click on the line below and follow the directions on the form. <http://forms.freshfromflorida.com/10110.pdf> or <https://csapp.800helpfla.com/csrep/>

IRS 501(a) Exemptions

Exemptions provided by Section 501(a) describe the various types of organizations that may qualify for federal tax-exempt status and the forms you need to file. To ask the IRS for a determination letter clarifying your organization's filing obligations, complete Form 1024.

Contact the IRS at 1-800-829-4933 Monday-Friday, 7:00am to 7:00pm

Form 990

Form 990 is an annual information return required to be filed with the IRS by most organizations exempt from income tax. **Instructions for Form 990** "Return of Organization Exempt From Income Tax" is available at this link <https://www.irs.gov/pub/irs-pdf/i990.pdf> **Prepare the income tax report Form 990 (Organization Exempt From Income Tax) on or before the 15th day of the 5th month after the close of the club's fiscal year if required.** Click this link <https://www.irs.gov/pub/irs-pdf/f990.pdf> [./www.irs.gov/form990](https://www.irs.gov/form990) to obtain a copy of the form. **Failure to file this form carries a very stiff penalty. Make sure you are using the current year's form.** If you have questions and/or need help completing Form 990, please call 1-877-829-5500. This toll-free telephone service is available Monday through Friday.

Federal Tax Identification Number

File for a Federal Tax Identification Number using IRS Form SS-4 if the club does not already have one. (An Employer Identification Number (EIN) is also known as a federal tax identification number, and is used to identify a business entity.) Generally, businesses need an EIN. This number is required to open a bank account or purchase a CD. It is also required on all Federal Reports such as IRS Form 990. You may apply for an EIN in various ways, and now you may [apply online](#). ***This is a free service offered by the Internal Revenue Service and you can get your EIN immediately.*** You must check with [your state](#) to make sure you need a state number or charter.

[Apply for an EIN Online](#)

Check out the IRS Interview-style online EIN application. They ask you the questions and you give the answers. The application includes embedded help topics and hyperlinked keywords and definitions so separate instructions aren't needed. After all validations are done you will get your EIN immediately upon completion. You can then download, save, and print your confirmation notice. It's fast, free, and user-friendly!

501(c)3 IRS Non-Profit Status

Nonprofit, 501(c)(3) and tax-exempt does not mean the same thing. Nonprofit means the entity, usually a corporation, is organized for a nonprofit purpose. 501(c)(3) means a nonprofit organization that has been recognized by the IRS as being tax-exempt by virtue of its charitable programs.

If you intend to obtain 501(c)3 status with the IRS, there are basic steps to take. 1). You must be incorporated. 2). Complete the Application for Tax Exempt Status using IRS Form 1023 and 3). Await the IRS Determination Letter. When submitting the required documents, make sure that your bylaws purpose and dissolution clauses follow the bylaws wording recommended by GFWC FL. Contact the Florida Bylaws Chairman for the verbiage. If it is not stated properly in your articles of incorporation, the IRS will require an amendment which requires a club vote and another fee plus the cost of a certified copy for the IRS. So, make sure it is correct the first time around.

Applying for 501(c)3 status will allow your club to more easily fundraise. Most business and individuals want to know that you are a 501(c)3 before they will give you donations or money. Applying for a 501(c)3 is a lot easier than it used to be. Most clubs that do not own a clubhouse and some that do may qualify to file the IRS 1023EZ form. This form is used to apply for recognition as a tax-exempt organization under Section 501(c)(3). To submit Form 1023-EZ, you must: Read the Instructions for Form 1023-EZ and complete its Eligibility Worksheet found at the end of the instructions. <https://www.irs.gov/forms-pubs/about-form-1023ez> If you do not qualify for the EZ form due to owning real estate over \$250,000 or if you plan to take in gross receipts of more than \$50,000 per year, you can also file using form 1023. Click the following Link for 1023 Instructions and Form:

https://www.irs.gov/site-index-search?search=1023&field_pup_historical_1=1&field_pup_historical=1

Once you have determined that you are eligible, you have to register at pay.gov here in order to apply. <https://pay.gov/public/registration>

Your club should be able to easily complete the information without need of a CPA. Generally, Form 1023 should be filed within 15 months of the organization's formation. For practical reasons, many organizations find it better to apply as soon as possible following formation. Extensions beyond 15 months may be possible under a variety of circumstances. After a period exceeding 27 months following corporate formation, retroactivity of 501(c)(3) status is likely limited and becomes more complicated.

While you can file the 1023 yourself, if you have large assets or are expecting large gross receipts in the next three years, you may wish to hire a CPA. Fees may vary depending on your gross receipts.

Assistance with the filing process, tax filing and financial questions can be obtained by contacting the GFWC Director of Finance.

GFWC periodically offers 501c3 status under the GFWC umbrella please go to www.gfwc.org to find out the latest information.

501(c)3 Determination Letter

After submitting your application for tax-exempt status, you may be contacted by the IRS for additional information or clarification. The IRS will send you a Determination Letter that will state that you have been approved as a 501(c)3 for a provisional period of time. If, in that time, you continue to meet the requirements of a 501(c)3, your status will be extended.

DR-5 Application for Consumers Certificate of Exemption

Once you have your 501(c)3, you can also register for exemption from paying sales tax on items you **purchase** for the club. Approved 501(c)3 organizations may be exempt from sales and use tax on purchases and rentals of tangible personal property if that property is used in carrying out the organization's not-for-profit activities. To receive an exemption, the organization must file the DR-5 Application of Consumers Certificate of Exemption with the Department of Revenue and be granted the exemption. Click this link for the DR-5 Application <http://dor.myflorida.com/dor/forms/current/dr5.pdf>

The IRS will provide you with an Exemption Certificate once you have been approved for the sales tax exemption. You will want to keep the original for your permanent records and make copies to provide to your vendors, as you must present the Florida Exemption Certificate upon payment, and give a copy of the Exemption Certificate to the vendor. Also, please **remember that you must pay for the goods or services with a club check.**

Be aware that there are really two different types of exemptions. The 501(c)3 Federal exemption is a Federal exemption that allows clubs to operate free of Federal Income Tax. This is a special designation that allows donors to our clubs to take a deduction on their personal or business income tax returns.

The second type of exemption is the exemption from Florida Sales Tax for things your clubs **buy** in the course of our charitable work. Your Club must have the 501(c)3 Federal Exemption with the IRS to qualify for this exemption from sales tax on our club's **purchases**.

Please note that the exemption is only on the purchases side of transactions. You are required to remit the sales tax to the Florida Department of Revenue when Clubs sell the purchased items. See the Section on Florida Sales and Use Tax.

SECTION FIVE: Designated and Restricted Funds

Difference between Designated and Restricted Funds

The big difference between these funds is that the club can transfer designated funds back into the general funds. Restricted funds must be used solely for the purpose in which they were given or raised.

Designated funds are monies that were placed into the general fund with NO donor stipulations on how they are to be used. The club can then set aside a certain portion from the general fund for a specific purpose. For example, your club could decide to set aside a certain percentage of the general fund for property improvements and operating expenses. The club can designate (and undesignate) unrestricted funds, but cannot change donor restricted funds without the permission of the donor.

Example: Jane Doe makes a \$100 donation to your approved charitable club. The check was not accompanied by a letter and no designation was on the check or implied by a solicitation. The club can then determine if the funds are to be designated for a specific project or fund. The donation is not considered to be restricted, but has a club designation.

Restricted funds are monies given, collected or donated for a specific purpose. Monies given by donors with specific destinations attached are called “restrictive” funds. When the club accepts funds with a stipulation of where and how it is to be used, they are under a moral if not legal obligation to use those funds in the designated way they were given in a timely fashion. For example, if a donor gave a special donation to be used for new windows, you could not ethically use those restrictive funds to replace the A/C. The same goes for a charity contribution. If the funds are donated specifically for Canine Companions, you cannot give it to a different organization or use it for a different purpose without the express permission of the donor.

A Solicited donation means that your club asked for donations for a particular cause. Maybe it was by letter, email, website, radio, etc. This means that donations given in response to a direct solicitation are to be permanently dedicated (restricted) to that purpose. If a donor writes out a check but did not indicate the purpose of the gift on the check or a form, it is implied that the contribution was intended to be for the specific fundraising solicitation.

Unsolicited donations are monies that a donor “designates” without having been solicited by the club. If the donor has indicated the intent for which the donation was given and the club has accepted the gift, it is the responsibility of the club to fulfill that intent.

When soliciting funds, you can provide a disclaimer with your solicitation that the organization reserves the right to allocate funds received over and above the intended budget of the solicited purpose into the clubs general fund.

Revised July, 2019-Approved Summer Planning EC Mtg.

Revised May, 2020-Approved Annual Post Convention EC Mtg.