

Treasurer's Guide



NMA's NEW
Chapter Leader Training Series

Chapter Leader Training

Treasurer's Guide



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ORGANIZATION

As the chapter's new Treasurer, your role is to be the chapter Financial Officer. Your efforts will make a strong contribution to the chapter's stability and success.

A. MEETING WITH THE OUTGOING TREASURER

1. Meet with the outgoing Treasurer for an effective Chapter Officer transition.
2. Determine what actions are pending and what needs to be completed.
3. Go over the books, study procedures and ask questions about unclear items.

B. ANALYZE AND TAKE OVER BOOKKEEPING PROCEDURES/PRACTICES/PROCESSES

1. Review all the Chapter financial management and reporting and re-evaluate them.
2. Work with financial experts if changes are needed.
3. The checking account should be balanced soon after the bank statement is received from the bank each month.
4. Keep track of reoccurring yearly expenses.
5. Pay bills promptly.
6. Deposits should be made at promptly and at frequent intervals. Deposit slips should be saved to compare with the total cash receipts recorded.

C. UPDATE THE CHAPTER'S BANK ACCOUNT

1. Meet with the banking institution to update the signature card for the new slate of Officers. It is suggested to have two or three signatures on file at your banking institution so you an "alternate" check signer in the event something unforeseen should arise.
2. Determine how many checks are normally issued during the year, and order new ones if needed. Checks should be printed with the chapter's name and address and serially numbered.
3. All checks should require signatures of two officers.
4. Any voided or spoiled checks are to be saved.
5. Set up or transfer information to an online account if preferred.

D. ARRANGE A SURETY BOND

1. A surety bond is recommended for all those who handle chapter funds. Don't put this off.

2. It's a necessary protection for the organization, and for you. (Surety Bond definition: An agreement by an insurance or bonding company to be responsible for certain possible defaults, debts or obligations contracted for by an insured party; in essence, a policy insuring one's personal and/or financial integrity.)

E. INVENTORY THE ASSETS

1. Inventory Chapter property such as banners, projectors etc.
2. In this case, it is a good idea to have an equipment or reserve account listed for these items.
3. They are assets of the Chapter and the Treasurer is the person in charge of them.

F. START MAKING YOUR ACTION PLANS FOR THE YEAR

1. This Treasurer's Guide serves as an instruction manual covering various details of the Treasurer's function.
2. Your responsibility as Treasurer is to see that NMA members get their money's worth. You will be firmly in charge and accountable for the finances.
3. An annual review or audit will need to be conducted for the Chapter financials prior to the Treasurer leaving office.
4. As the Treasurer, you will be expected prepare and distribute financial reports of the monthly financial activity to the general membership, Officers and the Board of Directors.
5. The process of properly recording business transactions is essential to the ultimate success of the NMA chapter. Direction of business operations must be based on knowledge of facts with which to make sound decisions. It is only through an adequate budgeting and accounting system that the essential facts are made available.
6. Compare chapter finances regularly, if variances to the budget cause concern, do not wait until the month end reporting to address with Chapter Officers.
7. A year-end report will need to be prepared and communicated with the general membership, Officers and Board of Directors.
8. A tax form will need to be completed and supporting documentation submitted prior to the chapter deadline to the Internal Revenue Service.
9. There is reference to several forms in this guide, and links are listed in each section.

BUDGETING

A. ANNUAL MEMBERSHIP INCOME

1. The two main sources of Chapter income are from member dues and registration fees for new members and the sponsoring organization.
 - Often there is a lump sum payment from the company, or the company pays a fixed dollar amount per member, or a fixed percentage of members' dues
2. To estimate annual membership dues for the current year
 - Number of estimated members multiplied by the annual rate of membership dues

B. PAYROLL DEDUCTION MEMBERSHIP INCOME

1. Chapters that collect dues through company payroll deductions are permitted to pay their members' dues to NMA on the same schedule as payments are received through the company.
2. If your chapter does not now use the payroll deduction system, you should consider these benefits in making a change:
 - Less administrative detail and follow up for chapter leaders
 - More productive annual membership drives
 - Better budget planning due to greater certainty of income
3. To estimate membership dues for payroll deductions:
 - Number of members multiplied by annual dues rate, or
 - Number of members multiplied by monthly dues rates; multiplied by 12 months
4. **NOTE:** Companies differ with regard to payroll deduction policies. If your Chapter uses payroll deduction, include a phrase similar to the one below on the authorization. Typically, Chapters that include this language do not need to have members sign a new deduction authorization form should the chapter dues change.
 - *"I agree to the deduction of chapter dues in ____ (weekly, bi-weekly, monthly) installments equal to the appropriate fraction thereof as related to the chapter's dues as set by the chapter Board of Directors."*

C. REGISTRATION FEES

1. The Treasurer is responsible for sending member dues to NMA headquarters.
2. New members who have not previously belonged to an NMA chapter, are assessed a one-time \$20 registration fee.
3. For annual chapters, you should consult with the Secretary for details on half-year dues.

4. If your duties also include reporting membership information, your chapter Secretary has received a Secretary's Guide which outlines membership renewal procedures in greater detail and provides various helpful suggestions for you and other chapter leaders involved in administration of chapter affairs. The membership forms may be downloaded from NMA website at: <https://nma1.org>.
5. Project the number of new members that may join during the upcoming year:
 - Number of new members multiplied by the \$20 registration fee, or
 - Chapter registration fee multiplied by your registration fee rate if different

D. OTHER INCOME

1. Companies may also support specific items, such as: percentage of meal costs; meeting costs, including speakers' fees; cost of specified meetings:
 - Also company-supported activities can be scholarship contributions or professional development courses
 - Some chapters also realize income from raffles, interest on savings and sales of special items. Donations, fundraisers, interest from savings accounts, etc.

E. PROGRAM INCOME

1. To estimate income from Programs:
 - The number of Program functions that will be held multiplied by the cost of each; multiply by the number of attendees; add a % markup of the cost.

F. NMA SPONSORED SPEAKER REIMBURSEMENT

1. Chapter Rewards Credit may be applied to Sponsored Speakers:
 - In most cases, 100% of the cost of the speaker up to \$200 maximum can be submitted to the NMA national office for reimbursement.

G. COMPANY CONTRIBUTION INCOME

1. If your sponsoring organization contributes to the NMA Chapter budget:
 - Lump sum annually add to the budget and then distribute monthly, or
 - A monthly billing multiplied by 12

H. Most chapters have to raise their dues to keep up with inflation. In years past, chapters have had to get approval of the membership in order to raise dues. It is suggested that new chapters include in their Bylaws a statement similar to:

- ***“Annual membership dues and registration fee will be as determined by the board of directors. The fiscal year shall begin the first day of (insert month).”***

I. EXPENSES

1. Coordination of all committees within the chapter i.e.:
 - a. Community Service
 - b. Recognition

- c. Financial (including NMA dues & registration fees)
- d. Member Relations
- e. Professional Development
- f. Area/National Activities
- g. Programs
- h. Awards

J. PRIOR TO DEVELOPMENT OF EXPENSE BUDGET

Put various expenses in correct category.

1. Compare individual expenses and total expenses to income.
 - If expenses are too high in relation to income, revise and cut expenses where applicable
 - If income exceeds expenses evaluate where extra income could be used most effectively within the scope of the chapter purpose

NMA DUES SCHEDULE

NMA PAYROLL DUES SCHEDULE

IF YOUR DUES AREA PAID THROUGH THE MONTH OF:	DUES ARE PAYABLE TO NMA BY THE END OF:	DUES ARE DELINQUENT IF NOT PAID BY:
June	July	September 30
July	August	October 31
August	September	November 30
September	October	December 31
October	November	January 31
November	December	February 28
December	January	March 31
January	February	April 30
February	March	May 31
March	April	June 30
April	May	July 31
May	June	August 31

NMA ANNUAL DUES SCHEDULE

IF YOUR FISCAL YEAR ENDS ON THE LAST DAY	YOUR NEW FISCAL YEAR BEGINS THE 1 ST DAY OF	DUES ARE PAYABLE TO NMA BY THE END OF	DUES ARE DELINQUENT IF NOT PAID BY
June	July	July	September 30
July	August	August	October 31
August	September	September	November 30
September	October	October	December 31
October	November	November	January 31
November	December	December	February 28
December	January	January	March 31
January	February	February	April 30
February	March	March	May 31
March	April	April	June 30
April	May	May	July 31
May	June	June	August 31

REPORTING

The outline that follows is a typical bookkeeping procedure. It is designed primarily to aid the Treasurer of the small to medium size chapter to properly maintain essential economic facts of chapter operations.

The budget, prepared in advance of the fiscal year, is an estimate of future financial operations. The bookkeeping is a historical recording of the chapter's financial operations. Therefore, the budget and bookkeeping systems should be so structured as to be compatible.

BOOKKEEPING LINE ITEMS FOR REPORTING

RECEIPTS

- Membership Dues
- Registration Fees
- Program fees
- Company Contributions
- Other Income

EXPENSES

- Office
- NMA dues & registration fees
- Miscellaneous
- Community Service Activities
- Recognition
- Member Relations
- Professional Development
- Area/National Activities
- Programs
- Awards

NMA SAMPLE CHAPTER BUDGET

Annual Budget - For Fiscal Year Ending December XXXX

ACCT ID	DESCRIPTION	BUDGET	SUB-TOTALS	TOTALS
INCOME				
41000	Membership Dues	12,000.00		
41001	Dinners and Luncheons	2,500.00		
41100	Company Contributions (if any)	6,000.00		
41200	NMA Chapter Rewards	200.00		
41300	Other Income	1,000.00	21,700.00	
	Total Income			21,700.00
EXPENSES				
ADMINISTRATIVE				
51000	Printing & Postage	200.00		
51100	Office Supplies	150.00		
51200	Miscellaneous Expense	200.00		
51300	Dues paid to National	3,600.00		
51400	Registration Fees paid to National	200.00	4,350.00	
AWARDS				
52000	Silver Knight	300.00		
52100	Leader of the Year	50.00		
52200	Member of the Year	200.00	550.00	
COMMUNITY SERVICE				
53000	Community Partners	500.00		
53100	Speech Contest	1,000.00		
53200	Speech Contest Fundraiser	400.00		
53300	Community Service Donations	300.00	2,200.00	
MEMBERSHIP / TRAINING				
54000	Program Facility Rental	1,000.00		
54100	Program Speaker	800.00		
54200	Program Meals	4,500.00		
54300	Program Entertainment	100.00		
54400	Program Tips and Gratuities	500.00		
54500	Program Expense Other	500.00		
54600	CLT (1 ppl - travel, registration, lodging)	1,500.00		
54700	Annual Conf – (1 ppl travel, registration, lodging)	2,000.00	10,900.00	
PROFESSIONAL DEVELOPMENT				
55000	Webinars	300.00		
55100	NMA Course Books	500.00		
55200	Seminars	500.00		
55300	Seminar Supplies & Materials	300.00	1,600.00	
	Total Expenses			19,600.00
	Net Income			2,100.00

NMA SAMPLE INCOME AND EXPENSE REPORT

XYZ Leadership Association of NMA				
Income and Expenses for the Three Months Ending March XXXX				
Acct ID	Description	Curr Month Actual	YTD Actual	Yearly Budget
Income				
41000	Membership Dues	1,000	2,750	12,000
41001	Dinners and Luncheons	500	1,450	2,500
41100	Company Contributions	500	1,500	6,000
41200	NMA Chapter Rewards	0	0	200
41300	Other Income	150	320	1,000
	Total Income	2,150	6,020	21,700
Expenses				
51000	Printing & Postage	15	49	200
51100	Office Supplies	25	57	150
51200	Miscellaneous Expense	10	77	200
51300	Dues paid to National	350	980	3,600
51400	Registration Fees Pd to National	20	60	200
52000	Silver Knight	0	0	300
52100	Leader of the Year	0	0	50
52200	Member of the Year	0	0	200
53000	Community Partners	0	0	500
53100	Speech Contest	100	100	1,000
53200	Speech Contest Fundraiser	85	85	400
53300	Community Service Donations	0	60	300
54000	Program Facility Rental	0	0	1,000
54100	Program Speaker	200	200	800
54200	Program Meals	0	0	4,500
54300	Program Entertainment	0	0	100
54400	Program Tips and Gratuities	0	500	500
54500	Program Expense Other	0	0	500
54600	CLT (1 ppl - travel, reg , fee, lodging)	850	850	1,500
54700	Annual Conf – (1 ppl travel, registration, lodging)	0	0	2,000
55000	Webinars	25	75	300
55100	NMA Course Books	0	100	500
55200	Seminars	0	0	500
55300	Seminar Supplies & Materials	0	0	300
	Total Expenses	1,680	3,193	19,600
	Net Income	470	2,827	2,100

MONTHLY REPORTING

An Income and Expense statement is prepared to show the Chapter income and expenditures made during the month compared to what was budgeted.

A. MONTHLY INCOME AND EXPENSE STATEMENT

1. An Income and Expense statement is prepared to show the Chapter income and expenditures made during the month compared to what was budgeted.
2. A financial statement shows the beginning bank balance, income, expenditures, and ending bank balance for the month
3. If you are a payroll chapter, list the amount of dues and registration fee income you received from the company; if you are an annual chapter, list the amount of dues and registration fee income you received from individuals for the month under income on your "Income and Expense Statement."
4. Under the other income accounts, list the totals received during the month being careful to allocate the income to the correct accounts, i.e., Company Contributions, Other Income, etc.)
5. Total the income.
6. Collect all expense receipts and paid invoices and categorize by accounts and list under proper account code.
7. Total the expenses.
8. Continuously keep the year to date figures in the extreme right columns of the month and year to date financial statement.

B. NMA Balance Sheet

1. Enter the beginning bank balances.
2. List the income, expenses, and overall monthly net result.
3. Add or deduct the net result from the beginning bank balances for ending financial condition.
4. Keep consistent and detailed records of Chapter financial activity.

SAMPLE BALANCE SHEET

NMA Chapter Balance Sheet

Ending xx/xx/xxxx

Account

ID	Description	Totals
ASSETS		
Current Assets		
1000	Petty Cash	114.00
10100	Cash-Checking Account	2,700.45
10101	Cash-Savings Account	13,143.75
11300	Accounts Receivable	1,000.00
Total Current Assets		16,958.20
TOTAL ASSETS		16,958.20
LIABILITIES AND CAPITAL		
Current Liabilities		
20000	Accounts Payable	758.45
Total Current Liabilities		758.45
Capital		
3000	Retained Earnings	15,740.75
	Net Income	459.00
Total Capital		16,188.75
TOTAL LIABILITIES AND CAPITAL		16,958.20

TAXES AND THE NMA

The following information has been compiled to help affiliated chapters in planning operating budgets and to provide assistance in compliance with federal, state and local tax issues.

- A. The information contained in this publication is provided for guidance only and each NMA chapter is encouraged to seek more detailed information concerning specific federal laws, state statutes if questions arise.
- B. Additionally, each chapter is encouraged to seek legal counsel to accurately deal with specific interpretations and application of the law.
- C. A wealth of information can be found at <https://www.irs.gov/>. For the most up-to-date IRS forms, go to: <https://www.irs.gov/pub/irs-pdf/f990.pdf> and/or your state revenue service website.

IRS TAX EXEMPTION CODE FOR NMA

The NMA was assigned the 501(c)6 tax exemption status in 1956 shortly after the name of the Association was changed from the National Association of Foremen to the present National Management Association.

IRS FORM 990 REQUIREMENT OF NMA

- A. In compliance with the regulations governing the U.S. Department's tax exemption ruling of February 28, 1945 (a copy of this letter can be obtained by emailing nma@nma1.org), NMA files an annual information return form 990 on or before April 15.
- B. Following is some helpful information you may need for completing form 990 (OR 990-EZ, OR 990-N (e-Postcard).
 1. Date of exemption letter-February 28, 1945
 2. Exemption status is 501(C) 6
- C. In addition, the Bureau of Internal Revenue, Service Center, Cincinnati, Ohio 45999, is furnished by NMA, names and addresses of all new affiliated chapters and those which have disaffiliated on or before February 15 (a copy of this letter can be obtained by emailing nma@nma1.org).

IRS TAX EXEMPTION CODE FOR NMA CHAPTERS

The local chapters of the NMA cannot be granted any other form of federal tax exemption except 501(c)6 since the law directs that the Federal Tax Code designation of the parent organization automatically establishes the Federal Tax Code designation of any affiliated body.

- A. If your chapter doesn't already have a federal tax code (also known as EIN, Employer ID Number), you must file a form SS4 with the federal government to receive one.
 1. This can be done either by downloading a form from www.irs.gov and completing it online. After a group determination letter is issued (assigning a federal tax code [EIN] to an association), the parent organization acts as an agent of the IRS in determining whether each affiliate meets the requirements (under the organizational and operations tests) to be exempt.
 2. Following are the principle requirements for an organization to become affiliated under a group determination letter:
 - Each subordinate organization must authorize (in writing) the parent organization to include it in the group exemption letter.
 - Each subordinate organization must have an organizing document covering the nature and purpose of the organization.
 - Each subordinate organization must agree to be subject to the general supervision or control by the parent organization.
 - Each subordinate should be in the same fiscal year as the parent organization; not "must" but "should". It's only required if a chapter and "a central organization" are doing a group tax return.

- Recognition by each subordinate that any prior tax exempt determination letter issued to it by the IRS is superseded by being included within the group determination letter.
3. The Internal Revenue Department and the NMA Constitution do not support the disposition of funds for political purposes.
 4. If there is any difficulty in completing this accounting portion, it may be well to check with the accounting department of your company.

ANNUAL ELECTRONIC FILING REQUIREMENT FOR SMALL EXEMPT ORGANIZATIONS — FORM 990-N (E-POSTCARD)

- A. There is one routine, but vital, report to be submitted to the Internal Revenue Service. This is the Tax Form #990, #990EZ, or 990N (e-Postcard). It's needed each year to continue the chapter's tax exempt status.
 1. It is advisable to attach a note stating they are a part of the blanket exemption #0792 as an affiliate of The National Management Association, Dayton, Ohio.
 2. Small tax-exempt organizations whose annual gross receipts are normally \$50,000 or less may be choose to electronically submit Form 990-N, 990 or Form 990-EZ.
 3. If the form is not submitted on time, the IRS will send a reminder notice but will not be assessed a penalty for late filing the e-Postcard.
 3. However, an organization that fails to file required e-Postcards (or information returns – Forms 990 or 990-EZ) for three consecutive years will automatically lose its tax-exempt status. The revocation of the organization's tax-exempt status will not take place until the filing due date of the third year.

DUE DATE OF THE 990-N E-POSTCARD

- A. The e-Postcard is due every year by the 15th day of the 5th month after the close of your tax year.
 1. For example, if the Chapter tax year ended on December 31, the e-Postcard due date is May 15 of the following year.
 2. If the due date falls on a Saturday, Sunday, or legal holiday, the due date is the next business day.
 3. The Chapter cannot file the e-Postcard until after its tax year ends.

STATE TAX AND NMA CHAPTERS

- A. Each state has different rules concerning both state income and sales tax treatments.
- B. Questions concerning individual state laws and policies should be directed to the state government offices to avoid being liable for back taxes.

- C. Appropriate counsel should be consulted as necessary since the tax laws, codes and procedures can be quite complex and change frequently.
- D. Remember that the NMA is a 501(c)6 organization and ALL AFFILIATED CHAPTERS are considered to be 501(c)6 organizations in accordance with the method applied by the IRS for affiliation.

TAX AUDIT – NMA CHAPTER

- A. The best way to handle an Internal Revenue Service audit is to comply fully with the conditions and requirements of the audit.
- B. Ensure that all pertinent records (constitution, current budget, checkbook, etc.) are available upon request.
- C. Should your chapter be audited, information and assistance can be obtained from the NMA headquarters.

MEMBERSHIP DUES AS A FEDERAL INCOME TAX DEDUCTION

- A. Frequently NMA staff has been asked if membership dues can be taken as a deduction on a personal income tax return.
 - 1. The answer is "yes" providing you itemize deductions and miscellaneous deductions total more than 5% of the gross income.

