



NAHU Treasurer's Guide





NON-PROFIT STATUS

- **Organized as a Federation**
- **National and the Chapters are each classified as a 501(c)6 non-profit business league**
- **Should file Form 1024-Application for Recognition of Exemption Under Section 501(a)**





BANKING ISSUES

- **Confirm who has signatory authority on bank accounts & update if necessary**
- **Confirm the tax ID number on the bank account is the chapter's**
- **Change passwords to on-line access with new board members**





POLICIES & PROCEDURES

- **Outlines information regarding the board functions, travel, bylaws requirements and financial matters**
- **NAHU P&P are listed under the “About” tab**
- **The 990 asks if specific policies are in place (such as conflict of interest, whistle blower & document retention)**





FINANCIAL RECORD KEEPING

- **Should have a document retention policy**
- **Monthly financial statements**
- **Bank statements & reconciliations**
- **Audit & tax filings**
- **Supporting documents for receipts & disbursements**





BUDGETS

- **Should be prepared on a yearly basis**
- **Should be aligned with strategic plan**
- **Board needs to be involved and approve**
- **Can include amounts on the monthly Statement of Activities**
- **Evaluate progress throughout the year**





AUDIT

- **Should be conducted by an outside firm on a regular basis**
- **Include cost of audit in budget**
- **Board should review and approve audit**
- **Follow up on any comments**





REPORTING TO CHAPTER BOARD

- **Should report at every board meeting**
- **Distribute the following reports each month:**
 1. **Balance Sheet**
 2. **Statement of Activities**
- **Can also include other graphs or analysis, such as comparison to budget or cash flow reports**





DUES

- **Amounts set by Chapters**
- **Changes done in October and become effective January 1, per NAHU's bylaws**
- **Total Amount collected by National**
- **Wired to Chapters monthly by direct deposit around the third week of the month**





ON-LINE REPORTS

- **Available to Chapter Treasurers**
- **Shows a list of each member and how much they paid that month**
- **Ties into amount direct deposited in the chapters bank account**
- **Include a copy with the monthly bank reconciliation**





LOBBYING EXPENSES

- **501(c)6 organizations are permitted to “work for the enactment of laws to advance the common business interests of the organization's members”**
- **The portion of dues related to lobbying activities is not deductible by the member**





LOBBYING EXPENSES (cont)

- **National does not have the information for the state and local portion of the dues**
- **Each chapter needs to determine the percentage for their chapter dues**
- **The portion of dues that is not deductible, needs to be communicated to your members**





D & O INSURANCE

- **Directors & Officers are exposed to potential liability through normal operations & activities**
- **Essential coverage for the Chapters**
- **Covers board, volunteers and staff**





TAX REPORTING REQUIREMENTS

- **Initial filing for exempt status (Form 1024)**
- **Form 990 Return of Organization Exempt from Income Tax (gross receipts > \$50,000)**
- **990-T Exempt Organization Business Income Tax Return (UBIT)**
- **990-N e-Postcard (gross receipts < \$50,000)**
- **State Tax reports**





UNRELATED BUSINESS INCOME

- **Required if \$1,000 + (for Federal return)**
- **From an activity that is regularly carried on**
- **The activity is not substantially related to the organization's exempt purpose**
- **If tax owed is greater than \$500, must make quarterly payments**





Contact Information

Jennifer Murphy

CFO

jmurphy@nahu.org

202-595-3696

