

The Power of *I*

CREATE | INCLUDE | COLLABORATE



Linked in Friendship, Connected in Service

Central Area

Glenda Masingale Manson

Central Area Director



CHAPTER FINANCES

“FROM GOOD TO GREAT”

Sheila R. Brown
Central Area Treasurer
January 17, 2016



Glenda Masingale Manson
Central Area Director



Goals of this webinar

ARE

- to simplify the collaboration process with the Links Foundation, Incorporated,
- to provide clarity on the deadlines and fees associated with Links, Incorporated finances,
- to highlight common practices which are obsolete,
- to create a desire to read the financial documents for knowledge and understanding, and
- to encourage Link Sisters to join the finance team and run for a financial office within Linkdom.



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Financial Calendar

September 15

- Deadline for submission of **990, 990EZ, 990 N Tax Form** to the IRS, with a copy to The Links, Incorporated. If an extension is filed, a copy of the extension request is to be forwarded to The Links, Incorporated.
- Deadline for submission of **Chapter Bonding Insurance**, to be processed online. Bonding insurance is due regardless of chapter filing for an extension of Form 990.
- Deadline for submission of **Internal Audit Certification Form**, with **Treasurer Year End Financial Report** attached. (Due September 15, 2016 and every September 15 thereafter).
- Deadline for submission of chapter **external audits**.
- Chapter financial documents transitioned to new chapter treasurer by outgoing treasurer.

November

- All chapter budgets presented to membership for approval.



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Financial Calendar

February

- Deadline for all chapter budgets to be approved by membership

March 15

- Deadline for submission of approved chapter budgets to area treasurer

April 1

- Deadline for submission of member dues

May 1

- Deadline for submission of member dues, with late fee
- Fiscal year begins
- Chapters may begin to submit 990 Tax Form to IRS; pay chapter bonding insurance; submit Internal Audit Certification Form and external audits



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Financial Deadlines & Fees

Document(s)	Completion Deadline	Approval Deadline	Submission Deadline	Late Filing Fee(s)
Annual Treasurer Report	May	May	9/15	
Chapter Internal Audit	6/30		9/15	\$500
Chapter External Audit			9/15	\$500
Chapter Bonding			9/15	\$500
Chapter Budget	November	2/1	3/15	
Chapter 990			9/15	\$100*

990, 990-EZ, 990-N

- **Chapters** with annual gross receipts less than \$200,000 and total assets less than \$500,000 can file either Form 990-EZ or Form 990.
- **Chapters** with gross receipts of \$200,000 or more or total assets of \$500,000 or more must file Form 990.
- **Chapters** with annual gross receipts of **\$50,000** or less may file the Form 990-N (e-Postcard).

990

- **Email a copy of the completed Form 990, 990EZ or confirmation from Form 990N (e-Postcard or Confirmation from IRS) to the National Headquarters.**
- **You may email a copy of IRS tax forms to: Finance@linksinc.org or the chapter may upload a copy on the online Membership Management System.**

990

- **It is important to write The Links, Incorporated's four-digit group exemption Number 1520 on the 990 form.** If the group exemption number is omitted from the form, the chapter will not be included on the IRS printout that is sent to the National Headquarters each year.

Chapter Audit Guidelines -(effective Fiscal Year May 1, 2015-April 30, 2016)

Gross Receipts	Requirement	Performed By
\$0 - \$50,000	*Internal Audit Certification Form in Appendix A-13 & Annual Treasurer's Report in Appendix A-5	Chapter Audit Committee
\$50,001 - \$100,000	**Review of Financial Statements Internal Audit Certification Form in Appendix A-13 & Annual Treasurer's Report in Appendix A-5	Licensed CPA Chapter Audit Committee
More than \$100,000	***Audited Financial Statements Internal Audit Certification Form in Appendix A-13 & Annual Treasurer's Report in Appendix A-5	Licensed CPA Chapter Audit Committee

Extensions

Review or Audited Financial Statement

- a written request must be postmarked to the National Treasurer by September 15 or e-mailed by 11:59 EST.
- The maximum period of time for an extension is 60 days.

Internal Audit Certification Form and Annual Treasurer's Report

- NONE
- by September 15, a fine of \$500.00 will be assessed.
- If not submitted by December 15, the chapter will be subject to disciplinary action including, but not limited to, a fine in the amount of an additional \$500.00.



QUESTIONS?



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LINKS INCORPORATION & LINKS FOUNDATION



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TAX STATUS

The Links, Incorporated

- The Links, Incorporated is a Section 501(c) (4) organization exempt from Federal taxes under Section 501 (a) of the Internal Revenue Code.
- A chapter legally **cannot** provide tax deductions for any donations or contributions received by a donor.

The Links Foundation

- The Links Foundation, Incorporated is a 501(c)(3) organization exempt from federal taxation.
- Donations made to The Links Foundation, Incorporated are tax deductible as stated in the Internal Revenue Code.



Fiscal Accountability

- All Chapters with bank accounts established for the benefit of The Links Foundation, Incorporated should close these accounts by January 1, 2016. All funds balances in these accounts shall be transferred to the Chapter's restricted account.



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FUNDRAISERS

Chapter Fundraisers

- Chapters sponsored fundraisers can utilize proceeds for restricted or unrestricted purposes.
- Chapter sponsored fundraisers are **not tax-deductible**.
- Funds received can be deposited in the chapter's unrestricted account if the event is not advertised to support any specific programs, i.e., scholarships, etc.

Fundraiser Collaboration w/the Links Foundation

- Chapters of The Links, Incorporated can collaborate with The Foundation in conjunction with fundraising events/initiatives.
- All funds received are deposited with the Links Foundation and are **tax-deductible**.
- The sole purpose of the fundraiser must be to secure funds for charitable and educational programs or scholarships.

FUNDRAISERS (CONT)

CHAPTER FUNDRAISER

- Any funds received from individuals, corporations and/or the public to support specific programming or a designated purpose, or from a auction or raffle are to be deposited in the Chapter's restricted account. **These funds are not tax deductible.**
- Chapters shall clearly designate on any printed materials, i.e., tickets, brochures, letters or correspondence, that contributions to the event or solicitation are not tax-deductible.

Fundraiser collaboration with the Links Foundation

- Event revenue can include:
 1. Corporate or individual sponsorships
 2. Tickets sales
 3. Event donations
 4. Vendor, Photographer and other fees

These funds are tax deductible.

- Chapter shall clearly designate on any printed materials-The ABC chapter of the Links, Incorporated sponsors a ABC event, proceeds Benefit the Links Foundation, Incorporated.

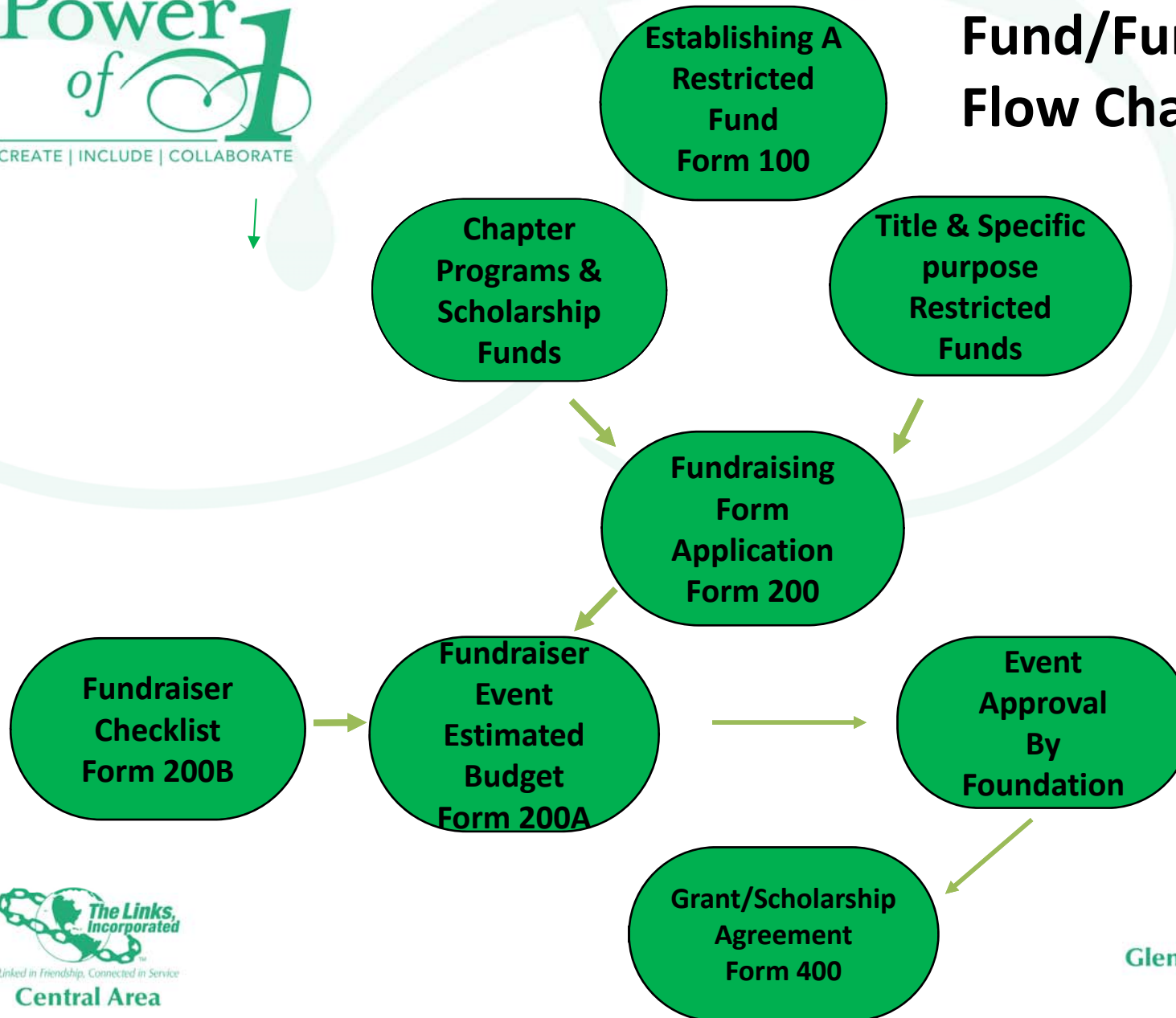


QUESTIONS ?

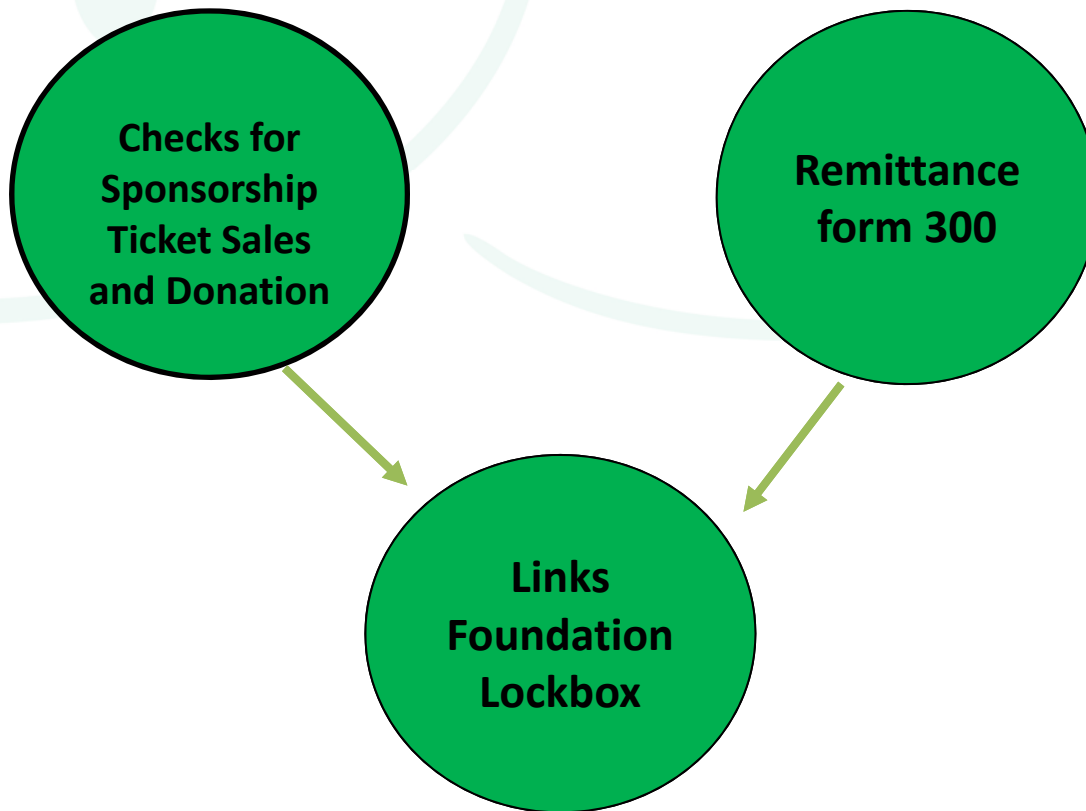


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Fund/Fundraiser Flow Chart



SUBMISSION OF FUNDS TO THE LINKS FOUNDATION



REQUEST OF GRANTS SCHOLARSHIP AND EXPENSES



Allow 10 days to allow the Foundation to review and process the check or wire transfer



Obtaining Restricted Funds

The purpose of the grant must be for charitable and educational purposes. Charitable and educational purposes include:

- Relief of the poor, distressed or the under-privileged,
- Advancement of religion,
- Educational purposes,
- Erection and maintenance of public buildings, monuments or works,
- Elimination of prejudice and discrimination,
- Defense of human and civil rights secured by law, and
- Combating community deterioration and juvenile delinquency.



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Obtaining Grant for expenses

- The Foundation must have approved the fundraising event (form 200).
- The actual expenses must be representative of those included in the event budget submitted for review.



Grant Request for Scholarships

The following information must accompany the grant request form and provided to the scholarship recipient:

- Criteria for selecting recipients, including the rules of eligibility; scholarships may not be awarded to anyone involved in the selection process or their family members.
- How and by whom the recipients are or will be selected.
- If awards are or will be made directly to individuals, information is required assuring that the student remains in school.
- A copy of the scholarship application form and any brochures or literature describing the scholarship program should be made available to the Foundation.



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Central Area Director



Important Contact Info

The Links Foundation, Incorporation
1200 Massachusetts Ave NW,
Washington, DC
20005-4501,
Phone:202-842-8686,
Foundation@linksinc.org



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Lockbox Contact Info

The Foundation's lockbox address for US Postal Service mail is:

**The Links Foundation, Incorporated
P.O. Box 758653,
Baltimore, MD 21275-8653**

**The lockbox address for overnight deliveries via couriers is:*

**Wells Fargo Bank – Lockbox Services 758653
Attn: The Links Foundation Inc.,
Lockbox # 758653,
7175 Columbia Gateway Drive,
Columbia, MD 21046**

***The use of the above address for the U.S. Postal Service will result in delays**



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Invalid Practice(s)

A cluster

- must be approved by the Area Director or the National President,
- exist primarily for hosting Area Conferences, National Assembly,
- Leadership Summits or other approved Area/National activities,
- organized for limited purposes and is not a legal entity,
- prohibited from securing the EIN Number or opening a bank account,
- prohibited from electing officers and assessing dues or fees, and
- A cluster that requires access to a bank account must open a **new bank account** in the bank of one of the lead liaison chapter and that chapter's treasurer will be the treasurer of the cluster.

Invalid Practice(s)

DO NOT :

- send money to the National Office address,
- place checks written to the Links Foundation in the Chapter's Bank account,
- depositing checks 30+ days after receipt,
- use the foundation as a conduit or pass-through in order to obtain tax exemptions for donors, and
- vote for members to pay dues to the chapter foundation.
- Charge new members dues and fees more than two times the national dues and fees. i.e., $\$770 \times 2 = \1540



Invalid Practice(s)

Chapters of The Links, Incorporated are encouraged to use The Links Foundation, Incorporated and **are prohibited from establishing chapter foundations.**

The establishment of a chapter foundation competes with the goals, for which The Links Foundation, Incorporated was created.

The bylaws of The Links, Incorporated do not cover the governance of chapter foundations, and as such they pose a potential liability to the organization.

The Links Foundation, Incorporated's 501(c) (3) tax-exempt status offers umbrella coverage to the chapter operating under its foundation.



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From “GOOD TO GREAT”

The world is evolving, and we must evolve with it. The changes in our financial documents are an example of how things have evolved.

Please EMBRACE these changes so “we” in Central Area can go from just from being GOOD to being GREAT.

Thank You!



Glenda Masingale Manson
Central Area Director



QUESTIONS?



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The
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of **1**
CREATE | INCLUDE | COLLABORATE



Sheila R. Brown

Treasurer

Email: LinkSheilaB@gmail.com

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Central Area Director

