

United States
Power
Squadrons®



Treasurer's Manual

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2/2024

Treasurer's Manual



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Preface

This version of the *Treasurer's Manual* supersedes all previous editions. The *Treasurer's Manual* is available on the United States Power Squadrons, America's Boating Club, website under the Heritage and Documents Committee's Operations Manual Downloads. This manual may be downloaded and saved for either printing or viewing on-screen. Topics of interest may be found by using the Table of Contents or the Adobe Acrobat Reader "search" function. Appendix A of the *Operations Manual* contains additional details about locating information in the suite of manuals.

This manual is sponsored by the National Treasurer and maintained and published by the Operations Manual Team of the Heritage and Documents Committee, United States Power Squadrons, America's Boating Club.

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Any word denoting gender used in this manual applies equally to any gender as the context may require. As appropriate, references to manual contents are indicated as [Refer to 2.7 on page 2-3] or references to that effect. Changes relating to policy or procedure must be approved by the National Treasurer. Comments on perceived errors or omissions, and recommendations for future editions are solicited from all treasurers.

T.1 Introduction

The office of treasurer, at all levels of the organization, is a very important financial management position. This office is responsible for providing the current and historical financial data needed to draft budgets and fund projects. Organizations can remain solvent only when their treasurers maintain good accounting control over their assets. It is the primary responsibility of treasurers to ensure that only funds that have been budgeted are spent and to require that anything else is approved by the proper authority.

While duties may seem intimidating to new treasurers at first, this manual is intended to provide the information necessary to assist every treasurer throughout the United States Power Squadrons®, America's Boating Club®. This manual may be viewed or downloaded from the National Treasurer's webpage, the Documents Library, or the Operations Manual's download page. Of course, the National Bridge and the Headquarters staff are all available to assist treasurers as well. Their toll-free numbers are listed on the USPS National webpage under Resources. <https://americasboatingclub.org/about/leadership-and-staff/#HQ>

T.2 Office of the Treasurer

The Treasurer's Department, as the organizational charts at the end of the manual illustrate, is an integral part of any squadron or district.

As a bridge officer, a district treasurer is obligated to attend district Council (if any) and Conference meetings. In turn, a squadron treasurer is required to report at the squadron Executive Committee and General Membership meetings in addition to being encouraged to attend the Council (if there is one) and Conference meetings. A treasurer should be familiar with the sections of the national and unit bylaws and the *Operations Manual* pertaining to the treasurer.

The unit treasurer is responsible for accurate financial reports and records, for policy guidance, and for the solvent operation of the squadron or district. He may be assisted by others whose duties are detailed below.

T.3 Assistant Treasurer

An assistant treasurer may be elected or an assistant to the treasurer may be appointed to work with the treasurer as required. This term will serve as good training, making it easier to assume the duties of the treasurer if so elected. An assistant should be capable of performing the office of the treasurer whenever that officer is absent.

T.4 Property Officer

A property officer maintains an inventory of unit properties. These properties may be films, projectors, teaching aids, flags, printing equipment, awards and other equipment owned by or in the custody of the unit. The inventory must state who has a particular item and therefore has assumed responsibility for it. He should make an annual report of the inventory so that adequate insurance coverage of these items is maintained. One way to gather data for the report is to email a form letter to all concerned in order to establish the inventory.

T.5 Ship's Store

Depending on the organization of the unit, this person brings to each squadron meeting a supply of insignia, burgees, ensigns, and uniform accessories that may be sold to members. He should have catalogs available for ordering uniforms from USPS-approved sources. This officer should be knowledgeable about correct uniforms and insignia to assist members desiring such items. He shall keep up to date on what is available from National's Ship's Store. All funds collected are to be forwarded to the unit treasurer without delay.

T.6 Obtaining Assistance

The *Operations Manual* is the organization's primary information resource and is accessible from the organization's member website (<https://www.usps.org/memb-home>). The current edition can be downloaded from the Resources Menu and the Document Library which is also on the Resources Menu.

The Document Library also contains a wealth of current and archived information. Both the *Operations Manual Suite* and the Document Library are maintained by the Heritage and Documents Committee. The committee website is listed under the Secretary's Department and questions can be addressed to the R/C.

Questions about USPS insurance should be directed to the National Treasurer. National officers can be emailed through the Department and Committee Menus on the member website.

Contact information for Headquarters personnel is displayed on the Resources Menu and also in *The Ensign* in the back of the editions.

Questions about the USPS Boat Insurance Program for members should be directed to McGriff Insurance Services, LLC at 1-800-763-8777.

Questions about coverage for new endeavors that may fall outside of the normal scope of squadron activity should be directed to the National Law Officer. The Law Committee's website is <https://www.usps.org/committees/standing/10300>.

A squadron roster is readily available by using the Information Center or the retiring DB2000 computer program. The Information System is an important tool in maintaining squadron records and should be an integral part of the procedures used by treasurers to maintain accurate records. The "Info Cen" is accessed from the top menu ribbon of the website.

DB2000 can still be downloaded from the Information Technology Software webpage (<https://www.usps.org/departments/15000/15600/15600-itcom-software>) and the required passwords are available from the unit commander or the Help Desk. However, this product is being retired and most of its functionality has been replaced by the Information System.

The implementation of the iMIS Association Management software in early 2024 is expected to provide additional membership and financial data to the organization's treasurers and other officers.

T.7 General Duties

Whether the unit is a squadron or district, a treasurer's responsibilities commonly include:

- Having custody of all monies received by the unit;
- Collecting all other monies payable to the unit;
- Depositing promptly funds in a bank approved by the proper district authority;
- Advising the commander when expenditures do not conform to the budget;
- Paying promptly all unit bills that have been approved by proper authority;
- Paying from original or scanned-copy invoices;
- Paying all disbursements on time and by the proper account classifications;
- Keeping accurate financial records;
- Maintaining monthly accounts by entering the monthly receipts and disbursements supported by receipts and invoices;
- Using separate journals for receipts, disbursements, and general entries;
- Maintaining a file for paid invoices, cash receipts, and correspondence;
- At month-end, reconciling bank accounts, CDs and liability accounts;
- Verifying that all other accounts are accurately stated;
- Printing the financial and budget statements and checking for unusual items
- Assuring compliance with all sales tax laws;
- Preparing appropriate IRS forms for the unit;
- Turning over to the successor all documents, records, bank books, statements, property, and funds of the unit at the end of watch.

T.7.1 District Treasurer

In addition to the general duties listed above, tasks specific to district treasurers include:

- Maintaining monthly accounts by entering the monthly receipts and disbursements supported by receipts and invoices;
- Advising the Commander and District Council, if any, when expenditures do not conform to the budget;
- Giving a brief financial report at each District Council meeting, if any, and a complete financial statement at each District Conference;
- Instructing squadron treasurers that sales tax may apply and suggesting ways to ensure compliance with all local applicable laws and regulations;
- Submitting an annual report to Headquarters stating that all squadrons in the district have submitted the appropriate returns on time.

T.7.2 Squadron Treasurer

In addition to the general duties listed in T.7, tasks specific to squadron treasurers include:

- Processing dues collection of new members;
- Being aware of different sources of revenue;
- Obtaining permit deposits for U.S. Postal Service, if necessary;
- Depositing promptly all receipts to the appropriate bank account;
- Paying the Educational Fund amount, as determined by the Executive Committee;
- Accounting for student materials purchased and comparing to amounts collected;
- Giving brief financial reports at each meeting and a complete report at the annual meetings;
- Making copies of reports for the Executive Committee meetings;
- Maintaining a current list of paid-up members and, in concert with the Secretary, maintaining an accurate mailing list.

T.8 Recurring Duties

Certain treasurer duties are performed at approximately the same time each year. Wise treasurers make calendars to use as reminders of these milestones. The “Commanders’ Kits,” located at <https://www.usps.org/departments/14000/14600/758-commanders-kits>, contain annual officer calendars for both squadron and district officers.

Whether the unit is a squadron or district, the common recurring tasks include:

- **Fall or Spring** . . . Arranging to have books audited prior to the Change of Watch; Attending the district conference;
- **April** Reviewing information needed to comply with IRS rules pertaining to Form 990 and file unit tax return;
- **15 July** Completing and sending Form TR-1 to Headquarters; and
- **October** Preparing merit mark recommendations for the department as described in Chapter 16 of the *Operations Manual*.

T.8.1 District Treasurer

In addition to the tasks listed above, tasks specific to district treasurers include:

- **Fall and Spring** . . . Sending information about the district conference to squadron treasurers; Reporting to the district conference;
- **Fall** Sending district dues rate notices to the squadron treasurers; and
- **Spring** Sending notices of district assessments to the squadron treasurers for new squadron members;

T.8.2 Squadron Treasurer

In addition to the recurring tasks listed in T.8, tasks specific to squadron treasurers include:

- **28 February** Notifying Headquarters of the yearly dues amounts prior to this date;

- **March** Furnishing commander with report detailing the prior year's receipts and disbursements;
Reporting to District Treasurer the 990 filing status;
- **September** Preparing preliminary budget for the next year; and
- **November** Preparing final budget for the next year.

T.9 Dues Categories

The dues categories correspond to the membership types which are defined in the *Membership Manual* [refer M.3-M.8].

T.9.1 Active Member

An active member is a single member, also known as the primary member, to whom the family unit is attached and pays full dues for national, district and squadron.

T.9.2 Family Unit

A family unit consists of members in addition to the Active Member who reside in the same residence. Members in the unit can be Additional Active Members and/or Family Members. There is one payment for the family unit no matter whether the unit consists of the Active Member and one or twenty additional people.

T.9.3 Apprentice/Sea Scout

An individual member aged 12-23 who is not part of a family unit.

T.9.4 Life Member

A member who has paid dues at least 25 years as active members and received 25 active merit marks. Life members are not assessed national dues; however, they may be assessed district or squadron dues based on district or squadron policy or bylaws.

T.10 Entrance Fees

At the time an individual applies for membership, a one-time entrance fee is assessed along with national dues. This entrance fee is charged to the active (primary) member only. National entrance fees are not required for members of the family unit. The *Bylaws of the United States Power Squadrons*, Section 7.13 allows squadrons to charge their own entrance fee along with the squadron dues.

T.11 Dues Collection

As of June 2009, all dues renewals are billed and processed under the Headquarters Collection of Dues and Anniversary Billing (HQAB) method. Under this process, invoices are sent to the active members two months in advance of the invoice due date. The invoiced amount is due on the last day of the active member's anniversary month of joining the organization. Headquarters transfers the monthly portions of the dues received to the squadron and district. Information regarding late payments and non-payment of dues is documented in the *Membership Manual* [Refer to M.10-M.11].

Prior to June 2009, all dues were invoiced in April and payable by 31 May, annually. The total dues (squadron, district, and national portions) were paid to the squadron treasurer who was responsible for mailing the appropriate portions to the national and district treasurers monthly. This process, because it had been in place since the organization's founding, became known as the "traditional billing" method.

At the Annual Meeting of the Governing Board in Anaheim on 21 February 2009, the HQAB method was voted to replace the traditional billing scenario. All squadron accounts were converted to HQAB by June 2009.

T.12 Headquarters Collection of Dues and Anniversary Billing (HQAB)

Under Anniversary Billing (the AB of HQAB) a member's anniversary date is set to the first day of the month that they joined. For example, a new member joining on 15 September would have an anniversary date of 1 September. A new member pays a full year's dues when joining and is not invoiced again until two months prior to his anniversary date the next year. Members belonging to a squadron prior to that squadron's shift to HQAB have a 1 June anniversary date.

Under HQAB a member sends his/her renewal directly to Headquarters. It then processes the renewal, extracting its part of the total amount and making a direct deposit to the district and squadron for their portion. Members have the option to pay with a credit card using a secure on-line program.

Since Headquarters is both invoicing and collecting dues and since member renewal dates vary throughout the year, several tools have been developed to assist squadrons in member retention and accounting. The Treasurer's webpage (www.usps.org/dues/reports) offers reports detailing member status, along with district and squadron deposits.

NOTE: When the implementation of the iMIS Association software has been completed, the aforementioned dues reports will become obsolete. Further updates to this manual will be applied at that time.

Among the many features that the iMIS software provides is automatic dues renewals which is expected to be offered in April 2024.

T.13 Squadron Dues Processing

One of the most time-consuming duties for the Squadron Treasurer involves dues processing. The processing differs between new renewing members.

T.13.1 New Members

A squadron's life depends on obtaining new members. Usually, these come from graduates of the squadron's public boating course. The amount that a new member pays depends on whether the new member is a family unit, single unit, or Sea Scout. The National Dues and Fee Schedule on the

Treasurer's webpage (https://www.usps.org/images/2022_Dues_Fees_schedule.pdf) is used to determine the national dues for new members.

USPS® NATIONAL DUES AND FEES SCHEDULE (1 DECEMBER 2023 - 30 NOVEMBER 2024) ANNIVERSARY BILLING			
New Members			
New Individual Member Annual Dues		New Individual Member with Family Annual Dues	
\$60.00		\$90.00	
Apprentice/ Sea Scout		\$12.00	
Reinstating Individual Member or Family Unit (Use HQ 103)			
Individual Member		The reinstating member's anniversary date will be reset to the month of renewal if NONRENEWED for more than one year. PAYS FULL YEAR'S DUES.	
\$60.00			
Individual with Family			
\$90.00			
Reinstating Family Unit Member (Use HQ 104 Part B)			
Reinstating members who are not in an existing family unit		\$30.00	
Reinstating members in an existing family unit		\$0	
New Member Administrative Fee - (One fee charged per individual or family unit) (Effective 1 December 2013)		\$20.00	
Internet Member Dues (Renewal)			
Single		\$ 93.00	
Family		\$139.50	

Figure 1 Dues and Fees Schedule of 2024

Form HQ 100 (Rev 2/2023), United States Power Squadrons

The national amount must be added to any applicable district and squadron dues. Squadron treasurers often find it helpful to construct a table detailing the squadron and district dues by membership type. District treasurers or the National Treasurer can provide assistance.

2024	National Dues	District Assessment	Squadron Dues	Educational Fund	Annual Invoice
Single Member	60.00	10.00	29.00		99.00
Family	90.00	15.00	43.50		148.50
Life Member					0.00
Life Member w/ Family	30.00	5.00	14.50		49.50
Apprentice/Sea Scout	12.00				12.00
Associate			12.00		12.00

Figure 2 Example of Total Dues by Membership Type

Squadron treasurers work closely with membership chairs to ensure that the current dues amounts are shared accordingly, the treasurer is notified of application processing, and monies collected are turned over to the treasurer for deposit into the squadron account as soon as possible.

T.13.2 Reinstating Members

Past members who have let their membership lapse for one reason or another may request reinstatement. These people fall into two categories: 1) those that have been away for less than one year; and 2) those that have been away for more than a year.

Those who have been away for less than a year are usually members who are late paying their dues. For these, treasurers should collect the amount they should have paid the previous year.

The “Reinstating Members” portion of the aforementioned National Dues and Fee Schedule details the amount to charge a reinstating member. This figure is for the national dues only. As with a new member, the national amount must be added to any applicable district and squadron dues. Also, if the squadron bylaws specify, prorate the squadron dues.

T.14 Headquarters Accounting

Headquarters sends one combined statement each month for dues and materials. Statements are sent to treasurers via email unless otherwise requested. It is an acceptable practice to wait for statements, comparing them to the various invoices received and issuing one check for the total amount. The statement stub must accompany the squadron’s check with the check number noted on the stub.

“Credit Memos” are not to be paid. Also, treasurers are not to take unissued credits when paying a monthly statement. If treasurers feel that a credit is due, they are to contact USPS Headquarters Accounting. If they need copies of invoices or statements, they must request those items immediately. If an invoice contains discrepancies, the sooner they are reported, the sooner they can be traced and resolved. The national organization is not responsible for discrepancies that are not reported within 90 days of the invoice date.

Source documents for dues invoices are the various membership forms processed online by the squadron or action request emails sent by the squadron to Headquarters. When an application form is entered into the membership database through the online entry system, Headquarters’ Membership Department calculates the national dues to be paid and then charges (debits) the squadron’s account.

On the following pages are some examples of the various communications and bills that Headquarters sends to districts and squadrons. The format of the accounting statements is expected to change with the implementation of the iMIS Association software.

From: USPS MATERIALS ORDER <nobody@usps.org>
Sent: Wednesday, July 13, 2022 11:52
To: [REDACTED]
Subject: MATERIALS ORDER No. 32529, [REDACTED]

Order Type: ORIGINAL
 Ship Via: UPS GROUND
 Date: Wed Jul 13, 2022 11:51:47 EDT
 Order No.: 32529
 Account: [REDACTED]
 District: [REDACTED]
 Squadron: [REDACTED]
 Cert No.: [REDACTED]
 Ship To: [REDACTED]
 Telephone: [REDACTED]

Stock No.	Qty	Description.....	Price	Amount
03-71-105	1	PILOTING STUDENT KIT 2011 REV'D 2016*...	55.00	55.00
03-70-110	1	AP STUDENT KIT 2011*.....	55.00	55.00
01-87-100	1	'THE WEEKEND NAVIGATOR - SECOND EDITION'	20.00	20.00
98-63-114	1	SERVICE CHARGE.....	4.00	4.00
		TOTAL.....		134.00

Ordered By: [REDACTED]
 Telephone: [REDACTED]
 E-Mail: [REDACTED]
 Position: ASEO CHLB

Figure 3 Example of Educational Material Order

From: jeffersonk@hq.usps.org
Sent: Tuesday, July 19, 2022 08:47
To: [REDACTED]
Subject: Your order no. SO23459 has been fulfilled

Follow Up Flag: Follow up
Flag Status: Flagged

Dear [REDACTED]

Thank you for shopping at United States Power Squadrons.


Your order no. SO23459 has been fulfilled.

Order Summary:

Item	Qty	Brief Description	Rate	Amount
9799119	1	Shipping		\$21.84
			Tax	\$0.00
			Total	\$21.84

United States Power Squadrons

Figure 4 Example of Shipping Order



Statement

United States Power Squadrons
 1504 Blue Ridge Rd.
 Raleigh NC 27607
 888-367-8777
 www.usps.org

Date **7/31/2022**
 Acct. No. [REDACTED]
 Amount Due **\$210.84**

Bill To
[REDACTED]

Customer	Date	Description	Charge	Payment	Balance
	7/1/2022	Balance Forward			55.00
	7/19/2022	Invoice #N43394	155.84		210.84

Current	1-30 Days	31-60 Days	61-90 Days	Over 90 Days	Amount Due
155.84	0.00	55.00	0.00	0.00	\$210.84

Questions?
 888-367-8777 x221 or x238

Please write your account number on your check.

United States Power Squadrons

Remittance Slip

Customer [REDACTED]
 Date **7/31/2022**
 Amount Due **\$210.84**
 Amount Paid _____

Make Checks Payable To
 United States Power Squadrons
 1504 Blue Ridge Rd.
 Raleigh NC 27607


Paperless statements are now available. Please select your document preferences below.

☐ Please send statements electronically via email. (Contact Karen Jefferson at jeffersonk@hq.usps.org to verify your email address.)

☐ Please mail printed statements.

Figure 5 Example of Billing Statement with Combined Material and Shipping Charges

United States Power Squadrons®, America's Boating Club®



United States Power Squadrons
 1504 Blue Ridge Rd.
 Raleigh NC 27607
 888-367-8777
 www.usps.org

Invoice

Date 3/1/2023
 Invoice # IN45356
 Acct. No. [REDACTED]
 Shipping Method [REDACTED]
 Ship Date 3/1/2023
 Tracking # USPSmemo2

Bill To
 [REDACTED]

Ship To

 United States

Item	Quantity	Units	Description	Options	Amount	Tax Rate
National Dues - New Member	1		[REDACTED] -New Memb. ACTIVE		55.00	
National Administrative Fee	1		[REDACTED] Administrative Fee		20.00	
National Dues - New Member	1		[REDACTED] -New Memb. ADD'L ACTIVE		27.50	
Total					\$102.50	

Figure 6 Example of Invoice for National's Portion of New Member Dues Collected


United States Power Squadrons		Invoice				
 1504 Blue Ridge Rd. Raleigh NC 27607 888-367-8777 www.usps.org		Date 3/1/2023 Invoice # IN45359 Acct. No. [REDACTED] Shipping Method [REDACTED] Ship Date 3/1/2023 Tracking # [REDACTED] USPSmemo2				
Bill To [REDACTED]		Ship To [REDACTED]				
		United States				
Item	Quantity	Units	Description	Options	Amount	Tax Rate
National Dues - Reinstatement	1		[REDACTED] -Reinstate ACTIVE		55.00	
National Dues - Reinstatement	1		[REDACTED] ADD'L ACTIVE		27.50	
Total					\$82.50	

Figure 7 Example of Invoice for National's Portion of Reinstated Member Dues

T.15 Fund Raising

Every district and squadron should have sources of income over and above dues. These other sources units to carry out activities that would not be feasible if the unit depended on dues alone. With today's uncertainty of member renewal, it is absolutely necessary to have other sources of income in place. Several programs to consider are noted here.

T.15.1 Operating Funds

National's funds are augmented by a small percentage of earnings generated from investment accounts. The Ship's Store Committee also donates a portion of its annual revenue back to the operating fund. Other committees have undertaken fundraising tasks to finance their committee operations while easing the demand for budget dollars. Some examples of committee fundraising include the raffles at the Governing Board and Annual Meetings, and the Friends of Marketing contribution program. Sadly, the AmazonSmile™ donation program ended on 20 February 2023.

T.15.2 Other Courses

There is a charge for members to take most of the USPS/ABC courses and the exams. Treasurers should record the names of members taking courses and the amounts of money collected from each for the course material, ensuring that the Educational Department collects those fees and promptly turns the funds over to the Treasurer's Department. The treasurer records where the money came from for bookkeeping purposes. Following local and state regulations, sales tax may need to be collected on manuals and supplies. These charges are proper and, if required, must be reported and taxes forwarded to the proper authority.

T.15.3 General Fund Raising

Every squadron should have its own fundraising program in place. Some additional ideas that have been successful include garage sales, bake sales, and social activities. Don't forget to include grants from West Marine and state governments.

NOTE: Headquarters' Marketing Director should be contacted prior to soliciting gifts or raffle items from vendors as there already may be a national agreement in place with the vendor.

It is imperative that fundraising from the general public, gaming, lotteries, et cetera, be in accordance with all existing national and local laws and regulations. Consult with the law officer or a local attorney before conducting fundraising from the public.

Make sure that the fundraising objective does not jeopardize the squadron's not-for-profit status. Rereading the section of this manual on IRS is helpful in that regard [Refer to T.21].

T.16 Accounting System

If the district or squadron does not have a formal accounting system, treasurers are encouraged to start one. This section will help guide the setup of the new accounting system.

T.17 Sample Chart of Accounts

The first step is to develop a Chart of Accounts (that is, account numbers). This is an important item for creating good financial statements. Normally, account numbers are used to identify each account. Examples of major account numbers might be:

Assets	1000 to 1999
Liabilities	2000 to 2900
Fund Balances	2901 to 2999
Revenues	3000 to 3999
Cdr Expenses	4000 to 4999
XO Expenses	5000 to 5999

And so on...

T.17.1 Balance Sheet Accounts

ASSETS		LIABILITIES	
1000	Checking Account	2000	Account Payable
1010	Savings Account	2200	Notes Payable
1020	CD Investment	FUND BALANCE ACCOUNTS	
1100	Accounts Receivable		
1200	Inventory - Educational Materials		
1250	Inventory - Squadron Assets		
1400	Other Assets	2900	Fund Balance - Beginning
1700	Fixed Assets - Squadron	2910	Restricted Funds - A
1900	Prepaid Items	2920	Restricted Funds - B
		2999	Income Over Expenses - Current Year

T.17.2 Income and Expense Accounts

Income

3000	Income-Dues
3010	Income-Rendezvous
3020	Income-Advertising
3030	Income-Donations
3040	Income-Fund Raising
3050	Income-Educational Classes
3060	Income-Advanced Classes
3090	Dividend/Interest Income

Expenses (Expand with detailed accounts for each department)

4000-4999	Commander's Department
5000-5999	Executive Department
6000-6999	Educational Department
7000-7999	Administrative Department
8000-8999	Secretary's Department
9000-9999	Other Expense Items

Leave space between consecutive account numbers for future insertions.

T.18 Sample Financial Statements

BALANCE SHEET

Date xx/xx/xx

Assets

Current Assets	\$ xx,xxx.xx
Checking Account	xx,xxx.xx
CDs	xx,xxx.xx
Accounts Receivable	xx,xxx.xx
Prepaid Items	xx,xxx.xx
Inventory	xx,xxx.xx
Other	xx,xxx.xx
Total Current Assets	\$ xx,xxx.xx
Fixed Assets	xx,xxx.xx
Details	xx,xxx.xx
Accumulated Depreciation	xx,xxx.xx
Total Fixed Assets	\$ xx,xxx.xx
Other Assets	xx,xxx.xx
Total Other Assets	\$ xx,xxx.xx
Total Assets	\$ xx,xxx.xx

Liabilities and Fund Balance

Current Liabilities	\$ xx,xxx.xx
Accounts Payable	xx,xxx.xx
Other Payables	xx,xxx.xx
Total Current Liabilities	\$ xx,xxx.xx
Long Term Liabilities	xx,xxx.xx
Total Long Term Liabilities	\$ xx,xxx.xx

Fund Balances

Restricted Funds	\$ xx,xxx.xx
Operating Fund - Start of period	xx,xxx.xx
Undesignated	* xx,xxx.xx
Operating Fund Bal./End of Period	xx,xxx.xx
Total Fund Balance	\$ xx,xxx.xx

* Excess of income over expenditures

INCOME STATEMENT

xx Months Ending xx/xx/xx

Revenues

Dues Revenues	\$ xx,xxx.xx
Other Income	xx,xxx.xx
Total Income	\$ xx,xxx.xx

Expenses

Operating Expenses	\$ xx,xxx.xx
Commander	xx,xxx.xx
Executive Department.....	xx,xxx.xx
Educational Department	xx,xxx.xx
Administrative Department.....	xx,xxx.xx
Secretary's Department	xx,xxx.xx
Treasurer's Department	xx,xxx.xx
Other	xx,xxx.xx
Total Operating Expenses	\$ xx,xxx.xx
Income over Expenses	\$ xx,xxx.xx

The above accounts can be used for either a manual or computerized system. The key to a successful accounting system is proper account structure and account classifications. The accuracy of entries should always be checked before posting to General Ledger Accounts.

The district or squadron may use the accrual or cash basis of accounting. The accrual method should be used if the system has Accounts Receivable, Accounts Payable, or Materials Inventory on the books. The United States Power Squadrons is a non-profit organization that uses the Fund Accounting method, meaning there is a beginning fund balance to which reserve funds, allocated funds, and any unallocated funds are added to total the ending fund balance. More information describing Fund Accounting is available in libraries and bookstores.

T.19 Manual versus Computerized Accounting Systems

A manual accounting system is time-consuming and prone to errors. It is better to use a simple computerized accounting system that includes a budget module. Accounting becomes an easy task because you enter each transaction only once, instead of over and over again as in a manual system. Your accounting knowledge can be minimal because the software has

accounting procedures built in. A good understanding of receipts and disbursements is all that's needed; the program will do the rest. It will post the monthly transactions to the General Ledger, print all Journals and Financial Statements, prepare a Budget Analysis, and compare actuals with the budget for meetings. The next time that the Nominating Committee searches for a new treasurer, the task will be easier when there is a good accounting system in place.

When looking for software, select accounting software versus a spreadsheet application. The reason is that true accounting software has the accounting knowledge built in. Once set up, the only task for the Treasurer is entering the deposits and checks, and the software will do the rest. The software selection criteria should include the following:

- Double entry capability;
- Checking that each set of entries has an equal amount for debit and credit entries, prior to posting to General Ledger;
- A budget module (some packages have one annual budget, while others have monthly budgeting and other variations);
- Financial format options as well as budget vs. actual options;
- Date sensitivity, that is, able to make previous month corrections and reprint the financial statements;
- A text editor to allow you to make specific heading changes;
- Operation on Windows; and
- Historical features to keep prior years' data for reference.

T.20 Records Retention

Important material to be retained for squadron reference includes:

- Audit and financial reports;
- Budget process, budget spreadsheet, budget analysis, and previous budgets;
- *Operations Manual* (annual releases located in the Documents Library);
- Bylaws: national, district and squadron; and
- Standing Rules of the district and squadron.

District and squadron officers are sometimes puzzled about how long to keep records. The answer can be rather complex. No single listing can be entirely satisfactory; however, the schedules on the following pages may be helpful.

The retention period begins at the end of the fiscal year during which the document was created, not from the date on the face of the document. For items supporting tax returns, the retention period would begin on the filing date of the return or its due date (with extensions), whichever is later.

The Sarbanes-Oxley Act addresses the destruction of business records and documents and outlines intentional document destruction as a process that must be carefully monitored. Non-profit organizations should have a written, mandatory document retention and periodic

destruction policy. Policies such as this will eliminate accidental or innocent destruction. In addition, officers need to know the length of time records should be retained to comply.

The following table provides the minimum requirements. This information is provided as guidance in determining your organization's document retention policy. It is duplicated with permission of the National Council of Nonprofit Associations.

Type of Document	Minimum Requirement
Accounts payable ledgers and schedules	7 years
Audit reports	Permanently
Bank reconciliations	2 years
Bank statements	3 years
Checks (for important payments and purchases)	Permanently
Contracts, mortgages, notes, and leases (expired)	7 years
Contracts (still in effect)	Permanently
Correspondence (general)	2 years
Correspondence (legal and important matters)	Permanently
Correspondence (with customers and vendors)	2 years
Deeds, mortgages, and bills of sale	Permanently
Depreciation schedules	Permanently
Duplicate deposit slips	2 years
Employment applications	3 years
Expense analyses/expense distribution schedules	7 years
Year-End Financial Statements	Permanently
Insurance Policies	3 years
Insurance records, current accident reports claims, policies, etc.	Permanently
Internal audit reports	3 years
Inventories of products, materials, and supplies	7 years
Invoices (to customers and from vendors)	7 years
Minute books, bylaws, standing rules, and charter	Permanently
Patents and related papers	Permanently
Payroll records and summaries	7 years
Personnel files (terminated employees)	7 years
Retirement and pension records	Permanently
Tax returns and worksheets	Permanently
Timesheets	7 years
Trademark registrations and copyrights	Permanently
Withholding tax statements	7 years

Figure 8 Minimum Document Retention Requirements

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T.21 Budget and Finance

A unit's Budget and Finance Committee works with the treasurer to develop a budget for each new fiscal year. A review of past budgets, a breakdown of anticipated departmental income and expenses, and an analysis of how well the district or squadron operated within those budgets is required in planning future needs. All these pieces of information should be used to develop a budget.

After a preliminary budget is developed, each department head should have the committee chairs review the preliminary budget so that the financial needs of the department as a whole can be determined. These reviews are used by the Budget and Finance Committee and treasurer to prepare the budget for further review. The squadron Executive Committee or District Council (if any, or bridge) will review and approve the needs expressed within the departments as well as the recommendations of the Budget and Finance Committee before the budget is presented to the membership for approval. After approval, this becomes the squadron or district budget for the upcoming year.

Each month treasurers should compare actual revenue and expenses to the approved budget. After entering and posting all transactions for the month and reconciling all bank accounts, each account should be reviewed to ensure that all transactions were posted to the correct account. A review of a preliminary Budget/Actual Financial Statement will highlight the over- and under-budget accounts. When any of the amount variances between the budget and actual accounts look unreasonable, a close examination of the accounts and posted transactions should immediately be undertaken. It is possible a transaction should have been charged to another account classification. After corrections are applied, a reprint of the preliminary Budget/Actual Financial Statement is run to verify that the accounts are in order. Scrutinizing the Budget/Actual statement is the best means of discovering and correcting errors.

After the accounts have been reviewed and analyzed along with the results of operations, treasurers should be able to explain how the cash accounts have changed from the prior month's statement. The use of cash receipts and disbursement journals is an important tool to further understand cash accounts. If any item is over budget, treasurers make sure the amount was approved by the Executive Committee. The Executive Committee should have established a resolution of limited amounts over the budget to cover special situations prior to making any financial commitment. These amounts must be approved before committing.

Squadron solvency is established by reviewing the current month, the year-to-date, and potential year-end financial position. Treasurers need to verify that there are sufficient cash resources available to pay expenses and carry through the remaining part of the year. Savings and CD accounts are intended for cash stability and future use and should be used only in extreme emergencies. The Executive Committee should approve any use of these funds.

A complete report should be made to the membership at each meeting. The key to success is to explain the monthly Financial/Budget Statements so that they are easily understood.

T.22 IRS Information

It is a commonly held **misconception** that tax-exempt organizations with gross receipts of less than \$50,000 do not have to file annual returns with the Internal Revenue Service (IRS). All units of the United States Power Squadrons (national, districts, and squadrons) are required to annually file a return with the IRS, regardless of their gross receipts. There are no exceptions to this requirement.

The information in this section is designed to provide general guidance. The Internal Revenue Service Code, Revenue Rulings, and Revenue Procedures dealing with are voluminous and complex. If treasurers encounter a unique set of circumstances requiring further guidance, the Law Officer and/or a local attorney or CPA with experience in this area of the tax law should be consulted. If local resources are not available, or questions remain, treasurers should please contact the Law Committee Chairman or the National Treasurer.

The following information has been provided by the National Law Committee.

T.22.1 Filing Requirements

The type of return to be filed depends on the amount of the unit's gross receipts. "**Gross receipts**" are the total amount received from all sources during the annual accounting period before subtracting any costs or expenses. However, the national and district dues portions collected from new members are not considered to be gross receipts since they are not retained by the squadrons. For more information on gross receipts, refer to [T.22.3].

Type of Annual Return	Who Should File
Form 990, Return of Organization Exempt from Income Tax	Section 501(c)(3) public charities
Form 990-EZ, Short Form Return of Organization Exempt from Income Tax	Public charities whose gross receipts during the year were less than \$200,000 and total assets at the year's end were less than \$500,000
Form 990-T, Exempt Organization Business Income Tax Return	Public charities that have gross unrelated business income of \$1,000 or more
Form 990-N, Electronic Notice (e-Postcard) for Tax-Exempt Organizations Not Required to File Forms 990 or 990-EZ	Most small public charities with gross receipts of \$50,000 or less can file a Form 990-N, if they choose not to file a Form 990 or Form 990-EZ instead

Figure 9 Form 990 Series Filed by Public Tax-Exempt Organizations

The Form 990 Series are not tax forms. The primary purpose of these forms is to provide both the IRS and the public with information about specific tax-exempt organizations. All Form 990 information is open to public inspection.

As illustrated in Table 3, units with gross receipts that are normally less than \$50,000 may file the 990-N postcard return. This is the simplest form of return and satisfies the IRS filing requirement of most squadrons and districts.

A unit with gross receipts of more than \$50,000 but less than \$200,000 **and** with year-end total assets of less than 500,000, must file either the Form 990-EZ (short form) or Form 990; however, it may not file the Form 990-N.

A unit with gross receipts of more than \$200,000, **or** with year-end total assets of \$500,000 or more, must file a Form 990.

All 990 returns must be filed electronically with the IRS. They must be filed by the 15th day of the 5th month after the end of the tax year (fiscal year). A unit that files a 990 or 990-EZ can get an automatic 6-month extension of the time to file its return by filing Form 8868 with the IRS.

A unit with gross unrelated trade or business income of \$1,000 or more, must file Form 990-T. "Gross income" is gross receipts minus the cost of goods sold. **"Unrelated trade or business income"** is the gross income derived from any trade or business that is regularly carried on and not substantially related to the organization's exempt purpose or functions. The types of income that may be unrelated trade or business income are discussed more fully in Section T.21.4 below. If a unit's Form 990-T shows unrelated business taxable income (gross income less allowable expenses), it will be required to pay income taxes on that amount.

Both Form 990 and Form 990-EZ must contain the "Group Exemption Number", **1041**, assigned to the United States Power Squadrons by the Internal Revenue Service. This number is entered in the related header block on page 1 of Form 990-EZ or Form 990.

All of the 990 series forms and instructions are downloadable from the government's IRS website <https://www.irs.gov/>.

T.22.2 Failure to File a Return

If any unit, either district or squadron, fails to file an exempt organization tax return for three consecutive years, its tax-exempt status will be automatically revoked by the Internal Revenue Service. In other words, that unit will not be able to rely on the group exemption letter of National. It must apply for its own tax-exempt status and pay the applicable user fees. The application process can be difficult and expensive.

Information on how to apply for reinstatement of tax-exempt status is located on the IRS website (<https://www.irs.gov/>) in the Charities and Nonprofit section or in the publication "Revenue Procedure 2014-11" (<https://www.irs.gov/pub/irs-drop/rp-14-11.pdf>).

T.22.3 Definition of Gross Receipts

Examples of squadron and district receipts include:

- Sales of educational materials.

- Assessments collected by squadron treasurers and remitted intact to the district treasurer (D-only).
- Squadron dues not including district assessments or national dues (S-only).
- Net amounts (after the deduction of expenses) received from events such as dinners or dances providing a member, not the unit itself, collects the money and pays the bills.
- Gross receipts (before expenses) from events such as dinners or dances if money is paid to the unit and the unit pays the bills.
- Investment income.
- Advertising revenue from ads in rosters or newsletters.
- Gross receipts from fund raisers.
- Any other monies raised for use in attaining or accomplishing USPS goals.

Examples of squadron exclusions:

- National dues, which are collected by the squadron treasurer and remitted intact to the National Treasurer via Headquarters billing.
- Assessments collected by squadron treasurers and remitted intact to districts.

T.22.4 Unrelated Trade or Business Income

Unrelated trade or business income may generate a tax liability for a District or Squadron. The following items, while included in gross receipts, are generally not income from an unrelated trade or business:

- Interest income, dividend income, and recognized capital gains.
- Royalty income.
- Rental income from renting real property unless it involves debt-financed property.
- Sales of educational materials.

The following items are generally considered income from an unrelated trade or business:

- Advertising income from ads in rosters and newsletters.
- Sales of Ship's Store merchandise, other than educational material.
- In determining the taxable income from the sale or activities that generate unrelated business income tax, directly related expenses are deductible against the income derived therefrom.
- Income tax due on unrelated business taxable income is computed using corporate tax rates.

T.22.5 Public Disclosure Requirements

Tax-exempt organizations are subject to public disclosure requirements. The organization's application for recognition of tax-exemption must be made available for inspection, and its three most recent annual 990 or 990-EZ returns, along with all schedules, attachments, and supporting documents must be made available for inspection and copying upon request. If a request is made in person, an organization generally must provide the requested information immediately. An exempt

organization receiving a written request for information must respond within 30 days from the date the request is received. Organizations are not required to disclose those portions of the return that identify the names and addresses of contributors, nor are organizations required to disclose certain supporting schedules and documentation relating to their Form 990-T.

Information on what documents must be disclosed can be found in the charities and nonprofit section of the IRS website. If a squadron or district receives a request for its application for recognition of exemption, that unit should contact the National Law Officer for assistance.

T.22.6 Tax Deductions for Officers and Members

A person who performs services or incurs expenses on behalf of an organization that is tax-exempt under Section 501(c)(3) of the Internal Revenue Code may deduct certain expenses as a charitable contribution on his or her federal income tax return. One must itemize deductions to take advantage of these contributions.

The value of personal services is not deductible, but unreimbursed expenses incurred in performing the services may be deducted. Acting in an official capacity for a 501(c)(3) organization qualifies as rendering services to the organization. Serving as an officer or delegate, an instructor or proctor in an educational course, or participating in public service activities such as cooperative charting are examples of service to the organization.

If a member incurs unreimbursed expenses of \$250 or more, he or she must obtain a contemporaneous written acknowledgment from the organization of the services supplied by the member and whether any goods or services (and a good faith estimate of their value) were given to the member in exchange for the unreimbursed expenses. More information on this topic can be found in IRS Publication 1771, Charitable Contributions Substantiation and Disclosure Requirements.

Officers and delegates may deduct out-of-pocket transportation expenses, including auto expenses (for gas and tolls), to attend meetings and other sanctioned activities. Auto expenses may also be deducted at a per mileage rate set each year by the IRS. Depreciation or insurance cannot be deducted. Information on the annual mileage rate and the substantial requirements that must be met can be found in IRS Publication 526, Charitable Contributions.

Officers and delegates may deduct travel expenses such as lodging and one-half of meal costs, but only if a person is away from home overnight on behalf of the organization. The cost of uniforms worn is deductible.

In addition to the above, members may deduct the expenses of operating a boat in connection with a class or course, such as when demonstrating buoys, anchor techniques, laying out and following courses, cooperative charting, and safety instructions.

Officers, delegates, instructors, and members may deduct the cost of attending a meeting at which they perform official duties. Members who are not officers may deduct only their expenses for public services, such as teaching courses open to the public. You should always consult a tax advisor to determine how these laws affect your personal situation.

Dues paid to the United States Power Squadrons are deductible, along with any cash donations to the USPS Endowment Fund or the USPS Educational Fund. A member who makes a cash donation must maintain a written record of the gift to be able to claim it as a charitable deduction. In addition, a cash gift of \$250 or more is deductible only if the donor receives a written acknowledgment of the gift no later than the time the donor files his or her annual tax return.

Treasurers should provide documentation for a member of the receipt of donations, and the assigned duties which might make an expense deductible. The wording and timing of such letters is important. It is incumbent on treasurers to provide documentation when necessary to members who incur unreimbursed expenses on behalf of the organization.

T.22.7 National's TR-1 Form

In addition to the IRS Return, all squadrons and districts are also required to submit a USPS Form TR-1 to Headquarters' Accounting Service. Besides providing confirmation that the reporting unit filed the appropriate 990 series form, the TR-1 gathers information on the expenditures (lobbying and total) of every unit. That information is necessary when Headquarters files their returns.

Headquarters **may** send the latest version of this form to all units; however, units must not rely on being asked for the information and be prepared to download the form from the National Treasurer's webpage at <https://www.usps.org/departments/16000/16000-dues-forms-policies-and-budget>. All TR-1 forms are due at Headquarters before 15 July. These forms may be mailed or faxed to the contacts listed in the forms' headers. Additionally, the form may be scanned and emailed to the Headquarters Accounting Service listed at <https://americasboatingclub.org/about/leadership-and-staff/#HQ>.

United States Power Squadrons®

You must return this form to National Headquarters by July 15

TO: National Treasurer

Dear Commander:

We have filed the checked form below for our fiscal year ending _____
Year

☐ IRS Form 990-N or "e-postcard" (our gross receipts were \$50,000 or less)

☐ IRS Form 990-EZ (our gross receipts were greater than \$50,000 and less than \$200,000 and total assets less than \$500,000)

☐ IRS Form 990 (our gross receipts were \$200,000 or more or total assets \$500,000 or more)

Total expenditures for the most recent fiscal year ended are: _____

Amount of any lobbying expenditures included in total expenses for the most recent fiscal year ended are: _____

The following information is accurate and correct:

District/Squadron Treasurer: (Name) _____

District: _____ District#: _____ Squadron: _____ /

District/Squadron Federal ID# : _____

☐ Our district/squadron is incorporated

☐ Our district/squadron is not incorporated

District/Squadron Officer Signature _____

Phone # _____

Email _____

You must return this form to National Headquarters by July 15

TR-1
(6/23)

Figure 10 Testament of IRS 990 Filing (2023)

Form TR-1, United States Power Squadrons

United States Power Squadrons®, America's Boating Club®**2024**

T.23 State Information

It is the responsibility of the district treasurers to ensure that they and the squadrons satisfy their state filing requirements. Each state will have different filing requirements and forms and may even have different filing dates. In some states, squadrons may be required to file a state return or a copy of the IRS Form 990, even if they only filed the Form 990-N postcard return. District treasurers should be aware of the filing requirements of each state in their district and ensure that each squadron treasurer is also aware of their state's filing requirements. Likewise, squadron treasurers should advise their district counterparts of their squadron's compliance with all filing obligations.

T.24 Investing

Until 2011-2012, the bylaws of almost all districts and squadrons limited investing to government-backed securities. Unit bylaws updated after 2013 eliminated those restrictions allowing units to invest in more productive but less secure instruments.

T.24.1 Investment Provisions in Model Bylaws

The February 2011 release of the *Model Bylaws for Squadrons of USPS* contained Section 6.7.6, stating:

All squadron operating funds shall be kept in depositories insured by an agency of the U.S. government. The depository institute(s) are to be chosen with the advice of the squadron's treasurer. For planning purposes, operating funds shall approximate 150% of the squadron's annual operating budget. For investment funds, the squadron may seek out higher yield investments which have been recommended by a qualified professional. Finally, the Executive Committee shall approve the budget, including any investment decisions, for submission to the members.

The August 2012 release of the *Model Bylaws for Districts of USPS* contained Section 3.2.10, stating:

For all district operating funds, and with the advice of the treasurer, designate depositories insured by an agency of the U.S. government in which the district's operating funds shall be kept. For planning purposes, operating funds shall approximate 150% of the district's annual operating budget. For investment funds, the district may seek out higher yield investments which have been recommended by a qualified professional.

T.24.2 Working Funds

Working funds are for the day-to-day operations of the unit. In general, all units of the organization are expected to maintain a prudent level of working funds, normally 150% of the annual operating budget. Working funds largely consist of bank deposits (checking and savings) accounts and investments insured by the government of the United States that can be easily and quickly converted into cash.

For units that choose to exercise broader investment discretion, the following apply:

- Working funds must be maintained as provided in the bylaws, perhaps in money market funds or other uninsured investments. Any uninsured money market deposits should be managed by a publicly recognized and institutionally rated money manager and be backed by short-term government bills and notes or investment-grade short-term corporate obligations.
- All depositories for working funds other than U.S. Government insured depositories must be approved by the District Council (or Conference, if Council does not exist) or Squadron Executive Committee upon recommendation by the Treasurer and Finance Committee.

T.24.3 Other Funds

Districts and squadrons that have funds available above the prudent amount required for working funds may find longer-term investments to be appropriate. These funds are also subject to “prudent investor” guidelines to execute proper fiduciary responsibility.

Where appropriate approval and circumstances exist, longer term investments may be made to maximize returns to the organization's units. The following guidelines are suggested:

- Units should exercise caution and diligence in the investment choices they approve, recognizing the following:
 - Knowledge and experience available in officers, committee chairpersons, and outside advisors;
 - Investment goals and time horizons for invested funds;
 - Funds available; and
 - Appropriate approval procedures and continuing oversight.
- Headquarters used to maintain a pooled certificate of deposit program for districts and squadrons to invest on a pooled basis to attain large CD rates for smaller investments. This program is no longer in use and has been eliminated.
- Where longer-term investments are recognized as desirable by the appropriate authority in the district or squadron, these investments should be limited to investment grade fixed income investments and highly rated equities and mutual funds.
- More speculative investments such as commodities, derivatives, restricted stock, unlisted securities, and narrowly traded issues should be avoided.
- Bylaws should provide for at least annual supervision by the District Council (or Conference, if a council does not exist) or Squadron Executive Committee. This review should cover investment positions and results, and should be compiled by the treasurer and/or Budget & Finance Committee.

T.25 Insurance

The United States Power Squadrons carries insurance to protect districts, squadrons, and members against lawsuits that might result from certain events. The most current information on the insurance is available on the National Treasurer's webpage from the sidebar menu at

<https://www.usps.org/departments/16000/16000-dues-forms-policies-and-budget#>. Also, the *Operations Manual* offers detailed explanations of the coverages in effect for the organization [Refer to 3.15.3-7].

Sometimes, the facility owners required units to provide proof of liability coverage for United States Power Squadrons and its units before finalizing an event agreement. A Certificate of Insurance can best be requested from the National Treasurer's webpage at <https://www.usps.org/departments/16000/16000-insurance/16000-squadron-district-event-insurance>. Applicants will need to provide the following information:

- Squadron name
- Type of event
- Date of event
- Location of event
- Name and address of owner of property being used
- Normal use of property (that is, school, library, yacht club, et cetera)
- Portion of property being used (that is, room name, all)
- Rent being paid, if any
- Amount of insurance coverage being requested by owner, if specified
- Name and address of person to whom Certificate of Insurance is to be sent
- Signature with rank and title of person making request
- Today's date

T.26 Year-End Duties

T.26.1 Treasurer

- Prepares Internal Revenue Service return, using the appropriate Form Series 990, for the unit;
- Files any Sales Tax Reports, if required; and
- Ensures that the books are in good order.

T.26.2 Auditor

Treasurers through-out the organization must prepare the books for the annual audit, assembling the following items:

- Approved budget for the year;
- Last year's closing entries;
- Cash Receipts and Disbursement Journal;
- General and other journals;
- Twelve months of canceled checks and bank statements;
- Receipt vouchers;
- Invoices paid;
- Other authorizations to disburse funds;

- All Financial Statements prepared; and
- Correspondence

The audit should consist of testing the trail of certain transactions as well as checking on authorizations. At the end of the audit, the auditor (or committee) should be prepared to write a report of its findings for the unit.

The audit must examine the following areas:

Cash

- Obtain copies of bank statements and account reconciliation;
- Compare of bank account statement balance to checkbook balance and trace to ledger account; and
- Review all outstanding checks, especially old outstanding checks. Ascertain reasons for old outstanding checks and void or reissue such checks.

Revenue

- Primary sources of unit revenue are dues, sale of educational materials, and interest on savings;
- Test dues income, multiplying membership count by annual or pro-rated dues amount. Trace deposits to bank statements and books of account;
- Determine whether income from educational sales is promptly deposited and credited to proper accounts;
- Determine whether interest or dividend earnings are properly reflected in the accounts;
- Other income, that is, donations and newsletter advertising revenue, should be acknowledged in the minutes of the Executive Committee and credited in the accounts according to their directions; and
- Test all sources of income by comparing to estimates adopted in the current budget. Question material differences from the budget.

Expenditures

- Obtain a copy of the current budget for expenses and any minutes reflecting changes in budget amounts;
- Determine that expenditures are within budget authorizations for account categories; and
- Examine supporting documents for any disbursements and determine if authorization is correct.

Other

- Some squadrons own real property and buildings. In this case, the Auditing Committee should assure itself that title is properly recorded and held in the name of the organization or trustees of the organization, and that adequate insurance coverage is provided.
- Other assets of the squadron (that is, teaching aids, awards, sextants) should be accounted for. The appropriate bridge officer should be able to verify the location and existence of these assets.

T.26.3 Turn-over of Treasurer's Files and Records

At the end of a treasurer's term and after the completion of the audit, all files and records should be in good order for a smooth transfer of responsibilities. Outgoing and incoming treasurers should allocate time for duties to be thoroughly explained such as the day-to-day processing, things to look for, and filing timely reports.

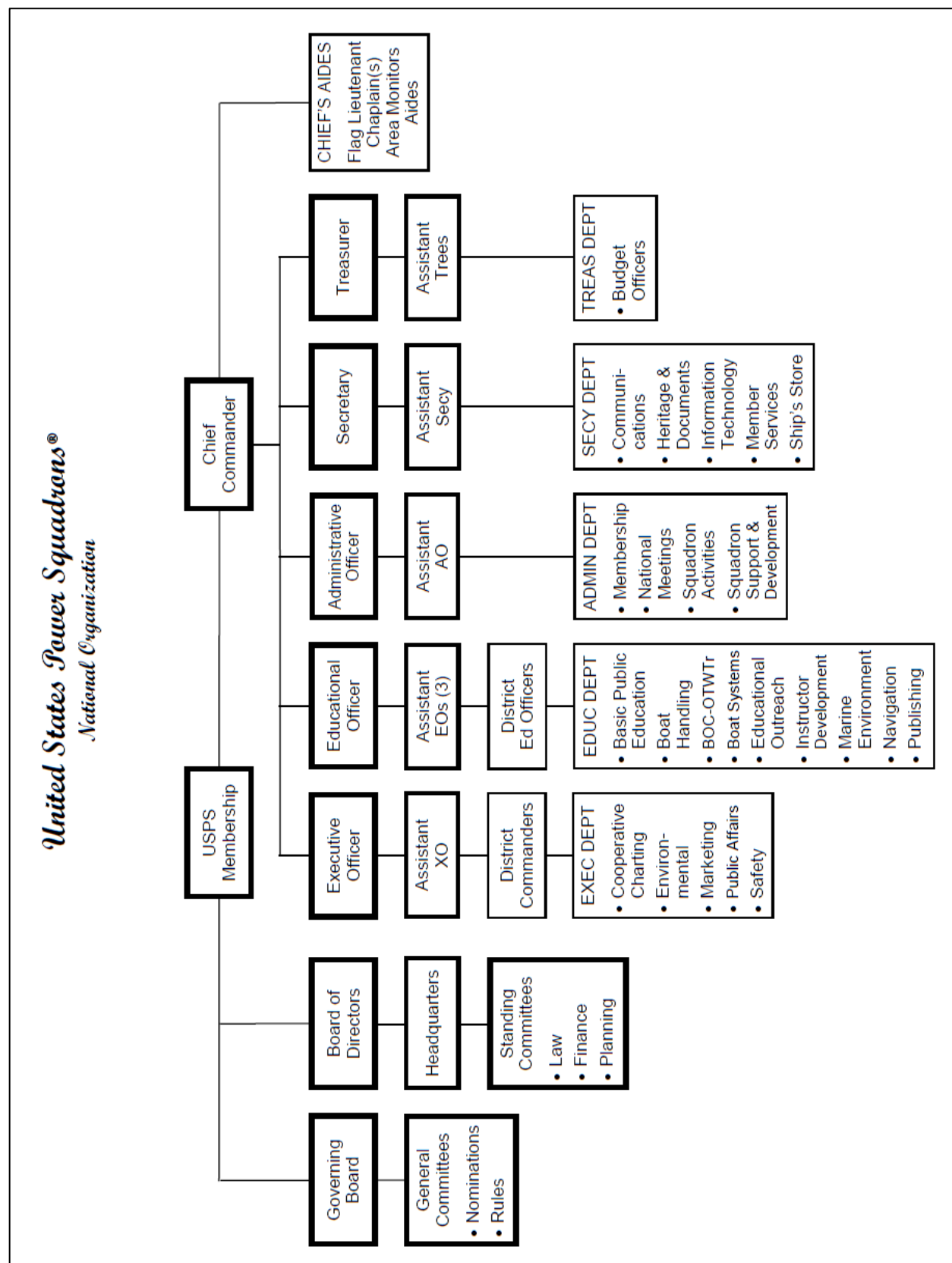


Figure 11 National Organization

United States Power Squadrons®, America's Boating Club®

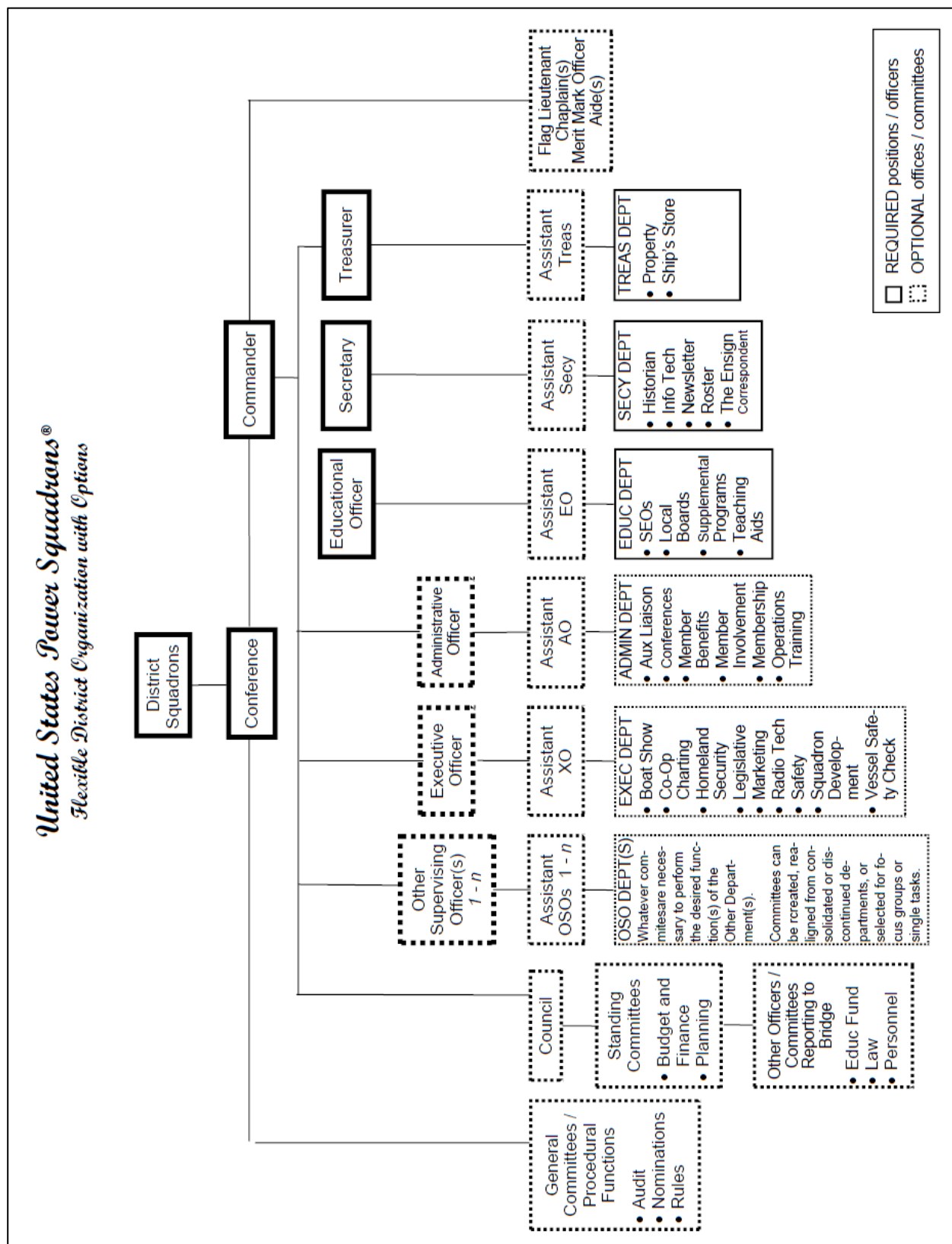


Figure 12 District Organization, Flexible

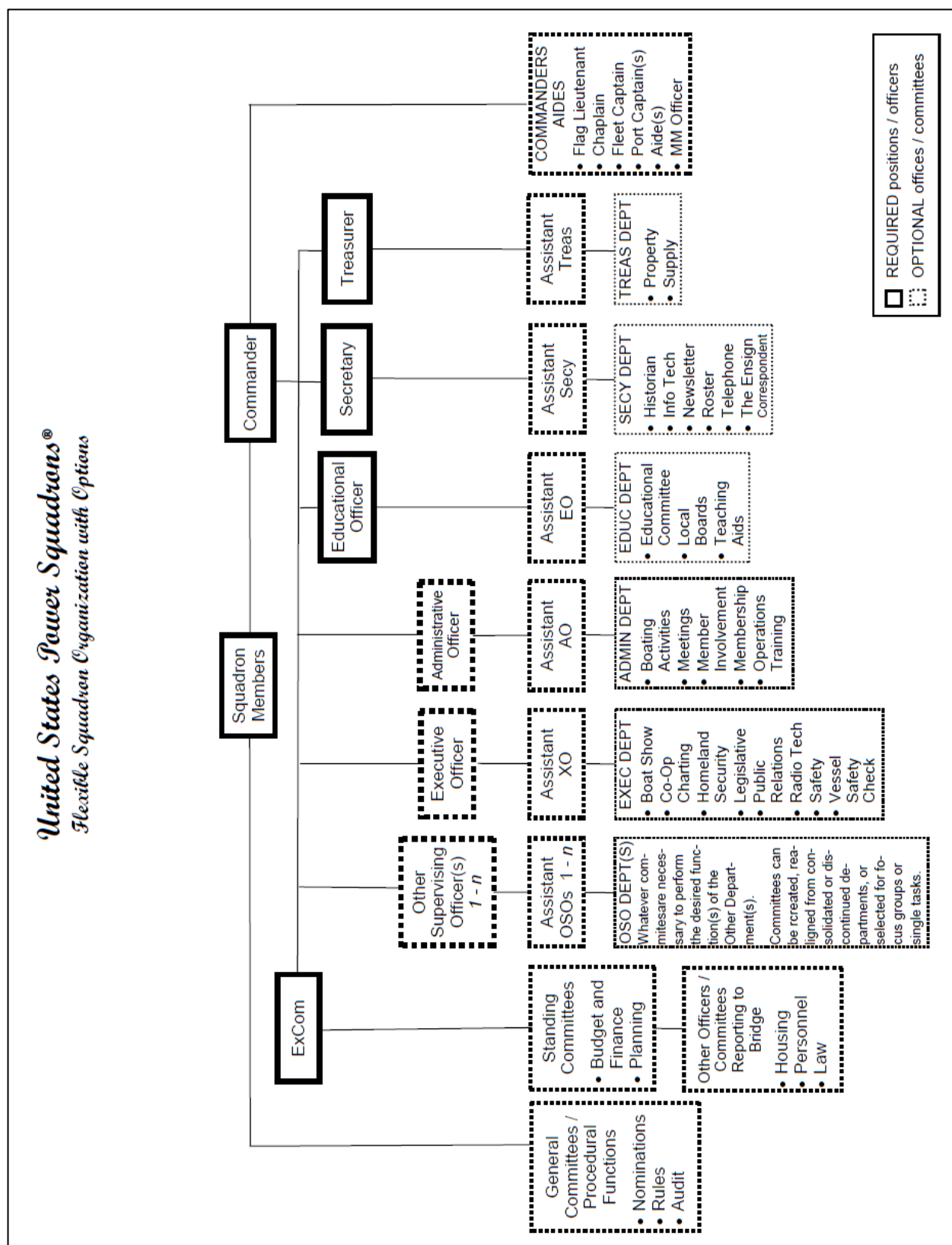


Figure 13 Squadron Organization, Flexible

