TREASURER’S MANUAL
Preface

This version of the *Treasurer’s Manual* supersedes all previous editions. It contains detailed guidelines and information for all members of USPS who have been elected to the position of either District or Squadron Treasurer. It is important that the Treasurer be familiar with the procedures, programs, duties, methods of operation and time tables so that the organizations financial functions more efficiently.

The *Treasurer’s Manual* is available on the USPS web site and may be downloaded to a disk and either printed or viewed on-screen. Topics of interest may be found by using either the Chapter Table of Contents or the Adobe Acrobat Reader “search” function. Check Appendix A in the Operations Manual for more detailed information on locating information in our suite of manuals. Every effort has been made to ensure that this manual is as current and complete as possible; however, due to the organizational differences that may exist between the various districts and squadrons, there may be some material that may not be applicable to all.

This manual is sponsored by the National Treasurer and maintained and published by the Operations Manual Committee. Questions concerning the information in this manual may be addressed to either as we will work in concert to resolve those questions.

**Operations Manual Committee**

- R/C Anna Morris, SN
- Stf/C Kurt W. Mikat, SN
- P/R/C Don Clark, SN
- Judy Griffing, AP
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**National Treasurer’s Department**

- V/C Lee Popham, JN
- R/C Gar Comb, SN-IN
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Words and expressions in the *Treasurer’s Manual* that connote gender are to be construed as applying equally to both sexes unless the text implies otherwise. National department heads and committee chairs are encouraged to forward updated information to the Operations Manual chair or the National Treasurer. Changes relating to policy or procedure must be approved by a department head, if applicable. Comments on perceived errors or omissions and recommendations for future editions are solicited from all members.
Table of URLs

The following Uniform Resource Locators (URL), also known as website addresses, can be used to locate information concerning various treasurer’s department committees and forms within USPS.

<table>
<thead>
<tr>
<th>Uniform Resource Locator</th>
<th>For information on ...</th>
</tr>
</thead>
<tbody>
<tr>
<td><a href="http://www.usps.org">www.usps.org</a></td>
<td>USPS</td>
</tr>
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<td><a href="http://www.usps.org/national/treasurer/">www.usps.org/national/treasurer/</a></td>
<td>National Treasurer Homepage</td>
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<td><a href="http://www.usps.org/php/DHinders/natsec/duestable.php">www.usps.org/php/DHinders/natsec/duestable.php</a></td>
<td>Dues Calculator</td>
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<td>IRS Publication 526, Charitable Contributions</td>
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<td><a href="http://www.usps.org/x/x.pl/x/x.cgi?natsec/officers.html">www.usps.org/x/x.pl/x/x.cgi?natsec/officers.html</a></td>
<td>Squadron Officer’s Guide</td>
</tr>
</tbody>
</table>
Welcome and Congratulations! You have become Treasurer of your District or Squadron. This is a very important financial management position. Everyone depends on you for current and historical financial data.

Your District or Squadron can remain solvent only if you maintain good accounting control over its assets. It is the Treasurer's responsibility to be on top of all of the financial matters for the District or Squadron. It is your job to make sure only funds that have been budgeted are spent; anything else must be approved by the proper authority. These are but a few of your duties; others are described in this manual.

Some of your duties may seem intimidating at first; however, we hope this manual helps you in understanding them. This manual may be viewed or downloaded from the USPS Treasurer's webpage or as a chapter in the Operations Manual. Of course the rest of your bridge, the National Bridge and the Headquarters staff are all available to assist you and answer your questions. Their toll free numbers are listed on the USPS National webpage.

Charts of the National Organization as well as typical District and Squadron Organizations are located at the end of this of this manual.

Best wishes for a successful year. Thank you for all the help you give to USPS.

Office of the Treasurer. The Treasurer's department is an integral part of the District or Squadron. Review the organization charts at the end of this manual to see how you fit into the overall picture of your organization.

As a bridge officer, the District Treasurer is obliged to attend District Council meetings and Conferences. The Squadron Treasurer is encouraged to attend both Council and Conference meetings. Both should be familiar with the sections of the bylaws and Operations Manual dealing with the Treasurer.

The Treasurer is responsible for accurate financial reports and records, for policy guidance and for the solvent operation of the Squadron. He/She may be assisted by others whose duties are detailed below. His/Her duties include:

- Process all dues collections
- Collect and be responsible for all other monies as necessary
- Promptly pay all approved debts
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 assuming the office of the Treasurer when required.

T.4 Property Officer. The Property Officer maintains an inventory of squadron properties. These may be films, projectors, teaching aids, flags, printing equipment, awards and other equipment owned by or in the custody of the District or Squadron. The Property Officer should know who has a particular item and therefore has assumed responsibility for it. He/She 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 mail a form letter to all concerned in order to establish the inventory.

T.5 Ship’s Store. Depending on the organization of the District or Squadron, this person brings to each squadron meeting a supply of insignia, burgees, ensigns and uniform accessories that may be sold to members. He/She should have catalogs available for ordering uniforms from USPS approved sources. This officer should be knowledgeable about correct uniforms and insignia in order to help members desiring such items. He/She shall keep up to date on what is available from National's Ship's Store. All funds collected are to be forwarded to the Treasurer without delay.

T.6 Obtaining Assistance.

The Operations Manual is the USPS primary information resource. The current edition is available via the Internet on the Operations Manual webpage; www.usps.org/national/om. The manual can also be ordered on a CD from Headquarters. The toll free number is 1-888-FORUSPS. When telephoning Headquarters, describe your problem and you will be connected to the person who can help you. As well, a listing of USPS national officers is located in the back of each edition of The Ensign.

Questions about USPS insurance should be directed to the National Treasurer. His name and address are on the inside back cover of The Ensign.

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

A squadron roster is readily available by using the USPS DB2000 computer program. It can be downloaded from the USPS Information Technology webpage. Check with your district or squadron commander concerning the correct password to use in requesting a roster. DB2000 is an important tool in maintaining squadron records and should be an integral part of the procedures used by treasurers in maintaining accurate records.

T.7 General Duties.

T.7.1 District Treasurer. The duties described in this section are everyday kinds of duties that are continuous throughout the year:

- Having custody of all monies received by the District
- Collecting all monies payable to the District
- Promptly paying all District bills that have been approved by proper authority
- Promptly depositing funds in a bank approved by the proper district authority
- Keeping an accurate record of all receipts and expenditures
- Advising the District Commander and District Council when expenditures do not conform to district budget
- Giving a brief financial report at each
District Council meeting 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
• Preparing Internal Revenue Service Tax Form 990 for the District, if required
• Submitting an annual report to Headquarters stating that all Squadrons in the District have submitted 990 Tax Return on time and/or that squadron revenues were less than $25,000 and therefore the return is unnecessary
• Turning over to your successor all documents, records, bank books, statements, property and funds of the District at the end of your watch

T.7.2 Squadron Treasurer. The duties described in this section are duties that are continuous throughout the year:

• Processing dues collection
• Being aware of different sources of revenue
• Obtaining permit deposits for U.S. Postal Service, if necessary
• Maintaining monthly accounts by entering the monthly receipts and disbursements supported by receipts and invoices
• Always paying from original invoices
• Depositing all receipts to the appropriate bank account as soon as possible
• Paying the Educational Fund amount, as determined by your Executive Committee
• Paying all disbursements on time and by the proper account classifications
• Accounting for student materials purchased and comparing to amounts collected
• 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
• Making copies of reports for the Executive Committee meetings
• Turning over to your successor all documents, records, bank books, statements, property and funds of the Squadron at the end of your watch

T.8 Recurring Duties. The duties described in this section are performed at approximately the same time each year. It would be wise to make a calendar to use as a reminder of these milestones.

T.8.1 District Treasurer. The following details what is to be done and when:

• Fall or Spring... have district books audited prior to the Change of Watch Conference. Send dues notices to your squadrons about District Conference. Attend District Conference
• April... review information needed to comply with IRS rules pertaining to Form 990
• 15 July... send form 990 and 990T information to Headquarters on forms provided.
• August... send out assessment notices to your Squadrons about District Fall Conference
• October... prepare merit mark recommendations for department. See Operations Manual Chapter 16.

T.8.2 Squadron Treasurer. The following lists what is to be done and when:

• Fall or Spring... arrange for audit of squadron books prior to squadron annual meeting. Attend District Conference
• 28 February... prior to this date, notify Headquarters of yearly dues amounts
• March... furnish Squadron Commander with report showing total receipts and disbursements for previous calendar year. Review Operations Manual for information necessary to comply with IRS rules pertaining to Form 990. Report to your
District Treasurer your 990 filing status. Detailed information will be sent to you from Headquarters.

- **14 July** ... mail Form TR-1 (IRS 990) to Headquarters by this date
- **September** ... prepare preliminary budget for next year
- **Fall** ... Attend District Conference
- **October** ... prepare merit mark recommendations for department. See Operations Manual Chapter 16.
- **November** ... prepare final budget for next year

### T.9 Types of Membership

**Active Member**
- Takes courses
- Attends meetings
- Votes
- Holds elected or appointed office
- Earns merit marks
- Receives *The Ensign*

**Additional Active Member**
- Takes courses
- Attends meetings
- Votes
- Holds elected or appointed office
- Earns merit marks

**Apprentice / Sea Scout**
- Takes courses
- Attends meetings but cannot vote
- Apprentice/Sea Scout membership extends from age 12 to end of the dues year of 23rd birthday
- Apprentice/Sea Scout members receive *The Ensign*

### T.10 Dues Categories

**Active Member**
- This category is a single member or the primary member to whom the family unit is attached and pays full dues for National, District and Squadron

**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

**Apprentice/Sea Scout**
- These are young people who are not part of the family unit, but are members on their own and do pay annual dues

**Life Members**
- Life members have 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

**Entrance Fees**
- At the time the Active Member applies for membership, a one-time entrance fee is included along with National dues. No National entrance fee is required for members of the family unit. USPS Bylaws section 7.13 allows squadrons to charge their own entrance fee; they could choose to charge that fee per member, rather than per family unit

### T.11 Dues

Historically, there were two methods of dues collection: 1) Headquarters Collection of Dues and Anniversary Billing (HQAB); and 2) Traditional Billing. At the Annual Meeting in Anaheim on 02/21/09, HQAB was voted as the singular dues collection process effective June 2009. Squadrons not using HQAB were switched at that time.

### 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 he or she joins. So 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 process 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 USPS website at URL www.usps.org/dues/reports offers member status reports and district and squadron deposit reports.

**T.13 Dues Collection.** By far, the most time consuming duty for the Squadron Treasurer involves dues processing. This comes in two parts, dues processing for: 1) new and 2) renewing members.

**T.13.1 New Members.** The 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 has to pay depends on whether the new member is an active, additional active, adult family or junior family member. You can use the New Members Chart to determine the national dues for new members. Remember to add this amount to any applicable district and squadron dues. It will be help greatly to make a table showing your district and squadron dues by type of membership. If you have trouble with this, contact the District or National Treasurer for help.

Be sure your Membership Chairman copies you on all applications sent to Headquarters and that someone forwards the dues money to you in a timely fashion.

**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 who have been away for less than one year; and 2) those who 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, you should collect the amount they should have paid the previous year.

The Reinstating Members Chart tells how much to charge the reinstating member. Do not forget to add any applicable district and squadron dues, prorating them too, if your bylaws are so written.

To avoid additional full-year billing, reinstatements just prior to the June 1 national dues year should be processed with an “as of” date of June 1.

**T.14 USPS Headquarters Accounting.** USPS Headquarters sends one combined statement each month for dues and materials. Statements are sent to treasurers via email unless otherwise requested. A sample statement and invoice are shown in Appendix A. It is acceptable and highly desirable to wait for statements, compare them to the various invoices received and issue one check for the total amount. Be sure you attach the statement stub with your check and show the check number paid.

Do not pay “Credit Memos.” Also, do not take unissued credits when paying a monthly statement. If you feel that a credit is due, please contact USPS Headquarters Accounting. If you need copies of invoices or statements, request them immediately. If an invoice contains discrepancies, the sooner they are reported, the sooner they can be traced and resolved. USPS 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 sent by the Squadron to USPS Headquarters. When a form is received at Headquarters, any accompanying payment is immediately credited to the squadron’s account. The form is received by the Membership Department, where the dues calculation is checked. The squadron’s account is then charged (debited) for the total dues amount from the membership form.
If the squadron dues calculation agrees with that of the Membership Department, the credit and debit are the same. If there is an error, the dues statement will show the over or underpayment and a balance.

See Appendix A for examples and explanations of the various bills that USPS will forward to your district or squadron.

**T.15 Fund Raising.** Every district and squadron should have sources of income over and above dues. These other sources will allow your unit 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.** Nationals funds are augmented by a small percentage of earnings generated from investment accounts. The Ship's Store Committee also donates a portion of their 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: 1) raffles at the Governing Board and Annual meetings; 2) the Friends of Marketing contribution program; and, 3) participation in the AmazonSmile™ program.

**T.15.2 Other Courses.** There is a charge for members to take most of our courses and the exams. You should record the names of members taking courses and the amounts of money collected from each for the course material. Be sure that your Educational Department people collect these fees and send them to you, the Treasurer. Record where the money came from for bookkeeping purposes. In accordance with local and state regulations, you may need to collect sales tax on manuals and supplies. These charges are proper and if required, must be reported and taxes forwarded to the proper authority.

**T.15.3 Ship’s Store.** National has a Ship's Store. Due to the extensive array of items available from them and the timely manner in which items can be procured, many districts and/or squadrons do not maintain one. As well, many squadrons do not include the Ship’s Store as a responsibility under the Treasurer. This section is thus intended for those that do maintain a Ship’s Store, be it under the Treasurer’s or another department.

The National Ship’s Store is a member benefit with an inventory of items including Change of Watch supplies, clothing, safety items, travel items, bridge gifts, Vessel Safety Examiner and Certified Instructional materials. Most carry the USPS logo. Ship's Store maintains a current web site at www.shopusps.org at which all merchandise may be seen and ordered. Ship's Store provides incentive for District and Squadrons to sell their merchandise in three ways:

Squadrons may order specific material at members' request for resale. A minimum of $250 worth of merchandise must be sold (no returns) for a profit of 20% to the squadron.

Districts can arrange to have material sent to their semi-annual conferences for viewing and sale. The District can earn 20% of the amount that is sold at the conference. A responsible person should contact the HQ warehouse manager, Art Stevens, at stevensa@hq.usps.org or 888.367.8777, extension 214, to request an updated Ship's Store order form and information on how to conduct a Ship's Store at a District meeting two months in advance. The order form may be received by mail, fax or an electronic form in Excel may be requested. The order must be submitted to headquarters six weeks before the intended date of sale. Requests must include the name of the responsible member, date of sale and shipping address. Districts with 1,000 or fewer members may order up to $3,500 of material, while larger districts will be limited to a $5,000 order. District 5, which is twice the size of others, will be limited to a $10,000 order.

Headquarters will prepare and ship the merchandise at no cost to the District. Included will be a “USPS Ship's Store Sales Event Con-
control Sheet” listing the items, starting count and selling price. There will also be columns for the end count, number sold and gross sales. 20% of the gross sales may be taken off and the District is responsible for the final amount.

Orders may be taken for items not included in the merchandise sent. The price of such items can be included in the gross total, subject to the 20% commission. Order forms will be enclosed with the kits. The shipping charges less 20% must be included with the cost to the customer. These orders with the individual's name and shipping address must be included when the unsold merchandise is returned to headquarters.

All items that are not sold must be properly repacked and returned to headquarters, correctly identified, along with the completed Sales Event Control Sheet and the check covering the net total. This must be within ten days of the sale. The returning mailing expense is the responsibility of the District.

Members can access the Ship’s Store web site at www.shopusps.org or phone Customer Service at 888.367.8777, extension 210, to place an order from Ship's Store. The member's District and the individual's Squadron will each receive 2.5% of the total phone or web site orders. This is paid out semi-annually to the District and the Squadron.

It is important to set up Ship's Store sales so that the local unit is the seller and simply a sales agent of USPS. Mistakes in this area could subject USPS to liability for conducting business in a state and to collecting sales tax. Ensure you check with all local and state regulations in this regard.

T.15.4 General Fund Raising. Every Squadron should have its own fund raising 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. Make sure that your fund raising objective does not jeopardize the USPS not-for-profit status. Rereading the section of this manual on IRS will help you here [Refer to T.22 on page T-19]. It is imperative that fund raising from the general public, gaming, lotteries, et cetera, be in accordance with all existing national and local laws and regulations. Be sure to consult your law committee before conducting fund raising from the public.

T.16 Accounting System.

If your District or Squadron does not have a formal accounting system, you should start one. This section will help you to set up your new accounting system.

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 Sample Chart of Accounts

A sample Chart of Accounts is shown on the following page:
Balance Sheet Accounts

**Assets**

1000 ......................... Checking Account  
1010 ......................... Savings Account  
1020 .......................... CD Investment  
1100 .......................... Accounts Receivable  
1200 .......................... Inventory - Educational Materials  
1250 .......................... Inventory - Squadron Assets  
1400 .......................... Other Assets  
1700 .......................... Fixed Assets - Squadron  
1900 .......................... Prepaid Items

**Liabilities**

2000 .......................... Accounts Payable  
2200 .......................... Notes - Squadron

**Fund Balance Accounts**

2900 .......................... Fund Balance - Beginning  
2910 .......................... Restricted Funds-A  
2920 .......................... Restricted Funds-B  
2999 .......................... Income Over Expenses-Current Year

**Income and Expense Statements 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  
9000-9599 ........................ Treasurer’s Department  
9600-9999 ........................ Other Income or Expense Items

Ensure you leave space between consecutive account numbers for future insertion.
### 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
Sample Financial Statements (continued):

**INCOME STATEMENT**

xx Months Ending xx/xx/xx

<table>
<thead>
<tr>
<th>Revenues</th>
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<tr>
<td>Dues Revenues</td>
<td>$ xx,xxx.xx</td>
</tr>
<tr>
<td>Other Income</td>
<td>xx,xxx.xx</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td>$ xx,xxx.xx</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenses</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Expenses</td>
<td>$ xx,xxx.xx</td>
</tr>
<tr>
<td>Commander</td>
<td>xx,xxx.xx</td>
</tr>
<tr>
<td>Executive Department</td>
<td>xx,xxx.xx</td>
</tr>
<tr>
<td>Educational Department</td>
<td>xx,xxx.xx</td>
</tr>
<tr>
<td>Administrative Department</td>
<td>xx,xxx.xx</td>
</tr>
<tr>
<td>Secretary’s Department</td>
<td>xx,xxx.xx</td>
</tr>
<tr>
<td>Treasurer’s Department</td>
<td>xx,xxx.xx</td>
</tr>
<tr>
<td>Other</td>
<td>xx,xxx.xx</td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td>$ xx,xxx.xx</td>
</tr>
</tbody>
</table>

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 proper account classifications. Remember, always check the accuracy of entries made 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. USPS is a non-profit organization that uses the Fund Accounting method, meaning there is a beginning fund balance, reserve funds, allocated funds, and any unallocated funds are added to the ending fund balance. You will find more information in books describing Fund Accounting. Such books are available in bookstores and libraries.

**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. The 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 the Financial Statements, prepare a Budget Analysis, and compare actual with the budget for your meetings.

Next time 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 have one annual, 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
- Historical features to keep prior years’ data for reference

T.20 Records Retention

Important material to be kept for squadron reference includes:

- Auditing and Financial Reports
- Budget Process, Budget Spreadsheet, Budget Analysis, and Previous Budgets
- Operations Manual
- Bylaws: National, District and Squadron
- District Operations Guide

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 turns intentional document destruction into a process that must be carefully monitored. Nonprofit organizations should have a written, mandatory document retention and periodic destruction policy. Policies such as this will eliminate accidental or innocent destruction. In addition, it is important for administrative personnel to know the length of time records should be retained to be in compliance.

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.
<table>
<thead>
<tr>
<th>Type of Document</th>
<th>Minimum Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable ledgers and schedules</td>
<td>7 years</td>
</tr>
<tr>
<td>Audit reports</td>
<td>Permanently</td>
</tr>
<tr>
<td>Bank reconciliations</td>
<td>2 years</td>
</tr>
<tr>
<td>Bank statements</td>
<td>3 years</td>
</tr>
<tr>
<td>Checks (for important payments and purchases)</td>
<td>Permanently</td>
</tr>
<tr>
<td>Contracts, mortgages, notes and leases (expired)</td>
<td>7 years</td>
</tr>
<tr>
<td>Contracts (still in effect)</td>
<td>Permanently</td>
</tr>
<tr>
<td>Correspondence (general)</td>
<td>2 years</td>
</tr>
<tr>
<td>Correspondence (legal and important matters)</td>
<td>Permanently</td>
</tr>
<tr>
<td>Correspondence (with customers and vendors)</td>
<td>2 years</td>
</tr>
<tr>
<td>Deeds, mortgages and bills of sale</td>
<td>Permanently</td>
</tr>
<tr>
<td>Depreciation Schedules</td>
<td>Permanently</td>
</tr>
<tr>
<td>Duplicate deposit slips</td>
<td>2 years</td>
</tr>
<tr>
<td>Employment applications</td>
<td>3 years</td>
</tr>
<tr>
<td>Expense analyses/expense distribution schedules</td>
<td>7 years</td>
</tr>
<tr>
<td>Year end financial statements</td>
<td>Permanently</td>
</tr>
<tr>
<td>Insurance policies (expired)</td>
<td>3 years</td>
</tr>
<tr>
<td>Insurance records, current accident reports, claims, policies, et cetera</td>
<td>Permanently</td>
</tr>
<tr>
<td>Internal audit reports</td>
<td>3 years</td>
</tr>
<tr>
<td>Inventories of products, materials and supplies</td>
<td>7 years</td>
</tr>
<tr>
<td>Invoices (to customers, from vendors)</td>
<td>7 years</td>
</tr>
<tr>
<td>Minute books, bylaws and charter</td>
<td>Permanently</td>
</tr>
<tr>
<td>Patents and related papers</td>
<td>Permanently</td>
</tr>
<tr>
<td>Payroll records and summaries</td>
<td>7 years</td>
</tr>
<tr>
<td>Personnel files (terminated employees)</td>
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</tr>
<tr>
<td>Retirement and pension records</td>
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</tr>
<tr>
<td>Tax return and worksheets</td>
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</tr>
<tr>
<td>Timesheets</td>
<td>7 years</td>
</tr>
<tr>
<td>Trademark registrations and copyrights</td>
<td>Permanently</td>
</tr>
<tr>
<td>Withholding tax statements</td>
<td>7 years</td>
</tr>
</tbody>
</table>
T.21  Budget

The Finance Committee and Budget Committee, working with the Treasurer, should 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 of these pieces of information should be used to develop a budget.

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

Each month you should compare actual revenue and expenses to this budget. After entering and posting all transactions for the month and reconciling all bank accounts, review each account to make sure the transactions were indeed posted to the correct account. Print a preliminary Budget/Actual Financial Statement and review the over- and under-budget accounts. If any look unreasonable, go back to those accounts and analyze the transactions posted. It’s possible a transaction should have been charged to another account classification. Make the corrections required, and then reprint the report. It is only by this type of scrutiny that you will find errors and fully understand your reports.

After you have analyzed and reviewed the accounts and the results of operations, you should be able to explain how the cash accounts have changed from the last month’s statement. Use your cash receipts and disbursement journals to help with this. If any item is over budget, 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 making the commitment.

Always make sure your Squadron is solvent by reviewing the current month, the year-to-date, and potential year-end financial position. Be sure sufficient cash resources are 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 the responsibility of the District Treasurer to ensure that Squadrons file their Internal Revenue Service (IRS) forms or report that they do not have to file. This is sometimes difficult. Many Squadrons believe that because they do not have to file, they do not have to do anything. Not so! They must file a TR-1 form with National that declares that they have filed or that they do not have to file. In order to get Squadrons to do this, a District Treasurer should take several copies of the TR-1 form to the Spring District Conference and urge each Squadron Treasurer or Commander to sign the form right there if it has not already been filed.

The information in this section is designed to provide general guidance. The Internal Revenue Service Code, Revenue Rulings, and Revenue Procedures dealing with the subject matter are voluminous and complex. In the event that you have a set of circumstances that requires further guidance, please consult with your District or Squadron Law Officer and/or a local attorney or CPA with experience in this area of the tax law. Should local resources not be available, or should questions remain, please contact the Law Committee Chairman or the National Treasurer.

In May of each year, begin thinking about the District’s or Squadron’s IRS filing obligations. The
National Treasurer will send you a reminder letter. Below is some information provided by a member of the USPS Law Committee.

**T.22.1 Filing Requirements**

- There is no Form 990 or Form 990-EZ filing requirement unless gross receipts, including unrelated business income, are more than $25,000. Gross receipts are the total amount received from all sources during the annual accounting period before subtracting any costs or expenses. However, they exclude annual National or District dues collected and not retained by the Squadron.
- File Form 990-EZ (short form) if gross receipts from related and unrelated income are more than $25,000 but less than $100,000 and if gross assets at the end of the year are less than $250,000.
- File Form 990 if your gross receipts, including unrelated income, are more than $25,000 and if gross assets at the end of the year are $250,000 or more.
- If you are required to file, then you must submit a copy of your Form 990 with Schedule A to USPS Headquarters. If you are not required to file, you must complete and file USPS Form TR-1; copies of this form will be sent to you along with other information at tax time.
- If a District or Squadron receives a “pre-addressed form from the IRS,” and the District or Squadron is not required to file, check the box in the heading of the Form 990-EZ or Form 990 to indicate that the organization’s gross receipts are normally not more than $25,000, sign the return, and send it to the Internal Revenue Service Center in Ogden, Utah.
- File Form 990-T if gross income from unrelated trade or business is $1,000 or more. “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. Filing Form 990-T with taxable income will require the issuance of a check for the appropriate tax.
- Filing Form 990-EZ or Form 990 must contain the “Group Exemption Number” assigned to USPS by the Internal Revenue Service. That number is “1041.” It goes in the related header block on page 1 of Form 990-EZ or Form 990.
- Forms 990-EZ, 990, and 990-T must be filed by the 15th day of the 5th month after the end of the tax year, unless an extension to file is granted.
- Forms 990-EZ, 990, and 990-T should be mailed by CERTIFIED MAIL, RETURN RECEIPT REQUESTED, on or before the filing due date, including extensions, to the following address: Internal Revenue Service Center, Ogden, Utah 84201-0027.
- While it is not necessary to file by certified mail return receipt requested, it is good practice to file by this method to show proof of delivery.
- Failure to file a Form 990-EZ, Form 990, or Form 990-T creates an unending Statute of Limitations. However, the Statute of Limitations starts to run as soon as a return is filed. In most cases, the Statute of Limitations will be 3 years.
- Forms 990, 990-EZ, and 990-T and the related instructions can be downloaded to your computer from the government’s IRS site.

**T.22.2 New IRS Regulation**

The Internal Revenue Service (IRS) has a new filing requirement beginning in 2008. The requirement is short, easy and electronic, and is known as the e-Postcard.

Any District or Squadron that normally has annual gross receipts of $25,000 or less and doesn’t file Form 990 or 990-EZ must file Form 990-N (the e-Postcard). Most districts and/or squadrons do not have their own IRS 501(c)(3) tax-exempt status but rather are covered as subordinate units of the tax-exempt status held by USPS. However, as subordinate units they are individually required to file appropriate IRS tax forms.
If your District or Squadron fails to file the e-Postcard, it will have its tax-exempt status revoked by the IRS and must reapply for tax-exempt status and pay the required fines.

For guidance on the new filing requirement, read the Frequently Asked Questions compiled by the IRS or for complete details visit the IRS website at http://www.irs.gov/charities/article/0,,id=169250,00.html.

T.22.3 Answers to Common Questions and Suggested Guidance

• A Squadron should include as gross receipts only the portion of annual dues retained by the Squadron. Do not include National or District dues.
• A District or Squadron should include investment income as gross receipts.
• A District or Squadron should include as gross receipts all income from checks for a specific program or event if the checks are made payable to the District or Squadron.
• A District or Squadron should include as gross receipts only the net amounts received from a specific program or event after payment of expenses, if receipts were collected by and bills paid by a member, not the District or Squadron.
• A District or Squadron should include as gross receipts sales of educational materials to members with corresponding deductions for the cost of said materials.
• A District or Squadron should include as gross receipts all income from a fund raiser with corresponding deductions pertaining to the cost of the fund raiser.

T.22.4 Unrelated Business Income Tax

Unrelated business income may generate a tax liability for your District or Squadron. Here is some help to determine whether you have such a liability.

• Interest income, dividend income, and recognized capital gains (while considered as part of gross receipts) are not gross income from an unrelated trade or business.
• Royalty income generally is not gross income from an unrelated trade or business.
• Rental income from renting real property generally is not gross income from an unrelated trade or business unless it involves debt-financed property.
• Advertising income from ads in rosters and newsletters generally is considered as gross income from an unrelated trade or business.
• Sales of Ship’s Store merchandise, except educational material, generally are considered as gross income from an unrelated trade or business.
• 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

On 8 April 1999, the IRS issued some new regulations governing the public disclosure requirements for tax-exempt organizations. These concern the organization’s application for recognition of tax-exemption, and the organization’s three most recent annual information returns, i.e., Forms 990 and 990-EZ, along with all schedules, attachments and supporting documents. If a request for information 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, however, to disclose portions of the return that identify the names and addresses of contributors, nor are organizations required to disclose their Form 990-T. In the event that you have a request for any of the above information, please contact the USPS Headquarters Director for further guidance.
T.22.6 Definition of Gross Receipts

Includes for the District:

• Sales of educational materials
• Assessments collected by the Squadron Treasurer and remitted intact to the District Treasurer
• Net amounts (i.e., after expenses) received from events such as dinners or dances if a member, not the District, collects money and pays the bills
• Gross receipts (i.e., before expenses) from events such as dinners or dances if money is paid to the District and the District pays the bills
• Investment income
• Advertising revenue for ads in rosters and newsletters
• Gross receipts of fund raisers
• Any other monies raised for use in attaining or accomplishing USPS goals
• Other income, net reimbursement and expenses

Not included in the District:

• Gross amount received in connection with events such as dinners or dances less reimbursements from members

Includes for the Squadron:

• Sales of educational materials
• Squadron dues not including district assessments or national dues
• Net amounts (i.e., after expenses) received from events such as dinners or dances if a member, not the Squadron, collects money and pays the bills
• Gross receipts (that is, before expenses) from events such as dinners or dances if money is paid to the Squadron and the Squadron pays the bills
• Investment income
• Advertising revenue for ads in rosters and newsletters
• Gross receipts of fund-raisers
• Any other monies raised for use in attaining or accomplishing USPS goals

Not included for the Squadron:

• National dues, which are collected by the Squadron Treasurer and remitted intact to the National Treasurer
• Assessments collected by the Squadron Treasurer and remitted intact to the District Treasurer
• Gross amount received in connection with events such as dinners or dances less reimbursements from members

T.22.7 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 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.

Officers and delegates may deduct transportation expenses to meetings and other activities. Personal auto use may be deducted; the rate for 2008 was 14 cents per mile plus tolls and parking. Be sure to check current IRS instructions for Form 1040, Schedule A for the latest rate. Items such as depreciation or insurance cannot be deducted. Members participating in cooperative charting cruises may deduct boat operating expenses.

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.
cost of uniforms worn is deductible. Dues paid to USPS are deductible, less the $10 value of The Ensign.

In addition to the above, members may deduct the expenses of operating a boat on a cruise or predicted log race for instructional purposes, as well as the expenses of operating a boat (no allowance for depreciation or repairs) in connection with a class or course, such as when demonstrating buoys, anchor techniques, laying out and following courses, cooperative charting, and safety instructions.

Your USPS expenses are deductible as charitable contributions and should be shown as part of your charitable deductions on your IRS 1040. You should keep good documentation, as you would for any other charitable contribution.

In summary, 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 the expenses for public services, such as teaching our public courses. You should always consult a tax advisor to determine how these laws affect your personal situation.

The Treasurer 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 the Treasurer to provide advice and documentation when necessary to members who incur expenses in the name of the squadron.

IRS Publication 526, which can be found at the address listed in the Table of URLs, is a valuable asset in formulating a suitable Letter of Charitable Contribution.

**T.23 State Information**

It is the responsibility of the District Treasurer to ensure that Squadrons file their Internal Revenue Service (IRS) forms or report that they do not have to file. Each state requires different forms, filing dates and the like. The District Treasurer should be aware of the filing requirement of each state in his/her district and so inform each Squadron Treasurer of the requirements. Each Squadron Treasurer should so advise the District Treasurer of the compliance with all filing requirements.

**T.24 Investing**

The bylaws of almost all Districts and Squadrons limit investing to government-backed securities. Recently, the Finance Committee has made available guidelines that loosen those restrictions. Should your District or Squadron be interested in investing in more productive but less secure instruments, bylaws must be changed to permit this.

**T.24.1 Guidelines for Approval of Investment Provisions in Model Bylaws**

Upon request by appropriate officials in Districts and Squadrons, the provisions for deposit and investment of funds in approved bylaws may be modified as follows:

Example: Section 6.7.6 of Squadron Model Bylaws lists one of the Executive Committee Responsibilities as “With the advice of the Treasurer, designate depositories insured by an agency of the U.S. government in which Squadron funds shall be kept … .” It could be changed to read: “Upon recommendation of the Treasurer, designate depositories, which may include those insured by an agency of the U.S. Government or an appropriate money market fund, in which working funds of the Squadron shall be kept and approved investment of Squadron funds as recommended by the Treasurer” (and/or Finance Committee).

Example: Section 2.7.4 of District Model Bylaws lists one of the responsibilities of the Treasurer as “Deposit District funds in financial institutions insured by an agency of the U.S. government and approved by the Council.” This section could read “Deposit working funds of the District in financial institutions insured by an agency of the U.S. Government or in an appropriate money market fund and...”
supervise investments, all as recommended by the Treasurer and Finance Committee and approved by the District Council.”

Circumstances under which changes could be approved are:

- Where the District or Squadron Rules Committee petitions National Committee on Rules for a change as approved by the District Council or Squadron Executive Committee
- Units so interested should state reasons for change including current amount of funds to invest, investment goals, and program for supervision of investments
- Bylaws so approved should contain wording charging senior executive approving authority (Council, Conference and/or Executive Committee) with at least annual supervisory responsibility

T.24.2 Working Funds

In general, all units of USPS are expected to maintain a prudent level of working funds in bank deposits or investments insured by the government of the United States. For those District and Squadrons that have made provisions in their bylaws for broader investment discretion, the following apply:

- Working funds are considered to be those funds up to approximately 75% of the annual expense budget. These are for month-to-month operation. These 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 Squadron Executive Committee upon recommendation by the Treasurer and Finance Committee, if such provision is made

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. However, any investment of District and Squadron funds in other than government insured deposits or with USPS requires appropriate bylaws provisions and approval as specified in the unit’s bylaws. 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 USPS units. The following guidelines are suggested:

- Units of USPS 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
  - Appropriate approval procedures and continuing oversight
- National 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 is being phased out.
- 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 Squad-
ron Executive Committee. This review should cover investment positions and results and should be compiled by the Treasurer and/or Finance Committee

**T.25 Insurance**

USPS 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-line at the USPS website.

Sometimes, the owner of a facility where you want to hold a class or stage an event will require proof of USPS' liability insurance. To get this, phone, write, or e-mail the National Treasurer or Headquarters with the information noted below. The Certificate of Insurance will be promptly issued and sent to the appropriate person.

- 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**

- Prepare Internal Revenue Service Tax Form 990 for the District or Squadron, if required. The National Treasurer will send you a letter detailing what is to be done
- File any Sales Tax Reports, if required
- Be sure that the books are in good order
- District Treasurer - Annually submit a report to headquarters stating that all Squadrons in the District have submitted the 990 Tax Return on time and/or that Squadron revenues are less than $25,000 and Form 990 need not be filed. Also, at least once a year, ask for a copy of each Squadron’s Financial Report to review for results of operations and solvency

**T.26.2 Auditor**

At District or Squadron year-end you must prepare the books and records for the annual audit. Items to have ready include:

- 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
- 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 Committee should be prepared to write a report of its findings for the Squadron.

The Audit Committee shall examine the following areas:

**Cash**

- Obtain copies of bank statements and account reconciliation
- Compare bank account statement balance to checkbook balance and trace to ledger account
- Review listing of outstanding checks and look for old outstanding checks. Ascertain reasons for old outstanding checks and void or reissue such checks
- If the District or Squadron has funds on
deposit with the National Treasurer, examine the statement provided by Headquarters

Savings accounts or investment balances shown on the books should be supported by statements or directly confirmed by the institution.

Revenue

• Primary sources of District or Squadron 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
• 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
• 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 Turning Over Treasurer’s Files and Records

At the end of the 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. Make sure you spend enough time with the new Treasurer to explain duties such as the day-to-day processing, things to look for, and filing timely reports.
Appendix A

Statement

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

Bill To
Absecon Island Power Sqd

<table>
<thead>
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<th>Date</th>
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<th>Charge</th>
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Current

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<td>0.00</td>
<td>$572.65</td>
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Questions?
888-367-8777 x217 or x221

Notice to Treasurers: All materials and dues invoices are now combined on one statement for your convenience.

United States Power Squadrons

Remittance Slip

Customer          747 Absecon Island Power Sqd
Date               3/31/2014
Amount Due         $572.65
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 Linda Norris at FULLERL@hq.usps.org to verify your email address.)
__ Please mail printed statements.

2019
# Invoice

<table>
<thead>
<tr>
<th>Date</th>
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<td>IN666</td>
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<td>747</td>
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<td>Ship Date</td>
<td>3/19/2014</td>
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<tr>
<td>Tracking #</td>
<td>1Z2093860396132296 1Z2093860381650337</td>
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<td>Created From</td>
<td>Sales Order #S0361</td>
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**Bill To:**
Absecon Island Power Sqd

**Ship To:**
Absecon Island Power Sqd

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**Total** $584.20
United States Power Squadrons®
Typical Squadron Organization Chart

Squadron Membership

Squadron Commander

Squadron Flag Lieutenant … Aides … Merit Marks … Fleet Captain

Executive Officer

Executive Committees

Standing Committees

General Committees

Budget and Finance

Auditing

Housing

Nominating

Law

Rules

Personnel

Public Relations

Planning

Radio Technical

Property Officer *

Safety

Members-at-Large

Vessel Safety Check

Property Officer *

Homeland Security Liaison

Legislative

Supply Officer

Assistant Educational Officer

Local Board

Public Relations

Local Board

Advanced Grades

Local Board

Elective Courses

Local Board

Learning Guides

Local Board

Seminars

Local Board

Rules

Planning

Rules

Property Officer *

Supply Officer

Teaching Aids

Teaching Aids

Property Officer *

Members-at-Large

The Ensign Correspondent

Assistant Secretary

Editor

Historian

Roster

Telephone

Assistant Treasurer

Property Officer *

Treasurer

* Check your bylaws as these responsibilities may be assigned elsewhere
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Auditor T-25

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