



# A Roadmap for Branch Financial Management: All Your Questions Answered

## Webinar Questions and Answers

### General Finance

**1. What is the most important information a new president, membership chair, and finance chair should know about branch finances?**

It is important to know that the entire board has a fiduciary responsibility for branch finances. Two documents available on the website are advised for all:

- [Financial Responsibilities of a Non-Profit Board](#)
- [AAUW Finance Tool Kit](#) – Revised and updated for CA Affiliates Aug 28, 2022

**2. What finance topics should be included in our branch bylaws?**

The model bylaws provided by AAUW National do not have any requirements other than that a branch must have a finance officer. Branches can determine what to put in their bylaws and what to put in their Policies and Procedures document. See the model Policies and Procedures document provided here: <https://www.aauw-ca.org/branch-governance/>

**3. How can we accept credit/debit card payments at branch events?**

You need a PayPal or similar account and a device that would allow accepting credit cards. PayPal works well for purchases from your branch website. You can also purchase a Square card reader that allows you to take PayPal payments at branch events on your iPhone or laptop by swiping a credit card. You need to be aware that there is a cost to use these services--PayPal is usually 2.9% plus 30 cents for every transaction.

**4. How do we convince members that it is safe to pay online?**

Some members will never be convinced. But you could ask them if they use their credit card online to purchase items at Target, Nordstrom, Macy's and the like. If so, they should be comfortable using their credit card at the AAUW National site. If anything, it would be less subject to hacking due to the relatively low volume of transactions.

**5. How can we improve financial communication between the state Tech Trek program and branch treasurer?**

Contact the Tech Trek State Coordinators at [techtrek@aauw-ca.org](mailto:techtrek@aauw-ca.org) or [techtrek-finance@aauw-ca.org](mailto:techtrek-finance@aauw-ca.org)



# A Roadmap for Branch Financial Management: All Your Questions Answered

## Webinar Questions and Answers

### Accounting and Reviews

**6. How best can we put together a budget? Could you provide samples of monthly financial reports, including budget comparison?**

A tutorial on putting together a budget is available on the AAUW California website along with a sample budget. Also, samples of financial reports are available for branches of various sizes.

**7. What is the best computer software for bookkeeping?**

The best bookkeeping software for a branch is one that fits its needs. The most popular ones are spreadsheets such as Excel, Quicken, and QuickBooks, with QuickBooks having the most capability but also the greatest cost and complexity.

**8. Could you give an overview of an audit/review process?**

We have provided an [example audit process](#) from the Long Beach Branch. Information about what to include in a finance review is given in the [AAUW Finance Toolkit](#) on the AAUW California website.

**9. Is it a good idea to outsource bookkeeping to a non-member or hire a bookkeeper?** Hiring a bookkeeper or using the services of a non-member can work, but a finance officer is still needed to oversee the activities of the bookkeeper, understand what is going on, and present this information to the board.

**10. How long should we keep old records?**

Financial records should be kept at least seven years. Other records may need to be kept longer. Please contact the Governance chair at AAUW California for advice at [governance@aauw-ca.org](mailto:governance@aauw-ca.org).

**11. Can you have just one bank account?**

Yes, you can have just one bank account for the branch operating budget and projects. Logically, money can be in different accounts but this can be maintained as part of one's accounting process. It does not require multiple bank accounts. It takes care to maintain which funds belong to which category and carry them forward from one year to the next. However, if you do a fundraising event for the AAUW Fund, you should have a separate checking account for that income and related expenses to be compliant with the guidance from AAUW National.

**12. How can we make fundraiser accounting easier?**

Unfortunately, fraud has increased the needed reporting and accounting.



# A Roadmap for Branch Financial Management: All Your Questions Answered

## Webinar Questions and Answers

### Taxes

#### **13. What do we need to know about filing tax returns and any other government requirements?**

All branches are required to file tax paperwork with the IRS (federal), Franchise Tax Board (state) and the Attorney General's office. The specific forms and method of filing depend on branch income and whether it is 501(c)(4) or 501(c)(3). See the website for details:

#### **14. What is the difference in filing requirements for 501(c)(3) and 501(c)(4) branches?**

All the forms for filing remain the same, including Attorney General forms RRF-1 and CT-TR-1.

#### **15. Statement of Information, RRF and new CT forms**

The Statement of Information or SI-100 form is required only for branches that are incorporated, and needs to be filed every two years. The Attorney General's Office requires all branches to file the Registration Renewal Fee report or RRF-1 form annually. Its purpose is to assist them with early detection of charity fiscal mismanagement and unlawful diversion of charitable assets. As of February 2020, there is a new requirement for branches with income below \$50,000 to file the new CT-TR-1 form annually as well. Check the AAUW California website for all forms.

#### **16. Who has responsibility to file the state tax forms?**

The branches are responsible for filing their own state tax forms.

#### **17. How can a branch get off the delinquency list for California?**

The California Franchise Tax Board (FTB) tax forms need to be filed for each year for which they were not filed. Please call the number on the letter from the FTB to determine what specific years need to be filed.

#### **18. Who do I contact regarding California Sales Tax charged at fundraisers?** You will need to obtain a Seller's Permit from the California Department of Tax and Fee Administration, [www.cdtfa.ca.gov](http://www.cdtfa.ca.gov) and follow the reporting requirements as detailed.

#### **19. Does an Inter Branch Council (IBC) have to file taxes too?**

IBCs exist to foster communication among branches and encourage multi-branch activities. We recommend that IBC's do not maintain bank accounts of their own in order to avoid tax filing responsibilities.



# **A Roadmap for Branch Financial Management: All Your Questions Answered**

## **Webinar Questions and Answers**

### **Insurance**

**20. Is one certificate of insurance used for the year or must a branch get one for each event?**

You need to get one for each event. However, you are covered even if you don't get the certificate of insurance.

**21. Do we need to get a certificate of insurance each time we meet in someone's home?** No, it is not necessary.

### **Membership**

**22. What are the steps to renew membership for the coming year?**

Each branch is different. If your branch uses the Community HUB, check to ensure that the branch dues that AAUW National has on file are consistent with your current branch dues. If so, you can ask AAUW National to send out bills to your members or issue them yourself. If you are not using Community HUB, think about doing so. It really makes the job of the treasurer and membership vice-president and membership treasurer much easier. If you don't use the Community HUB, post the information in your newsletter at least two times before the renewal is due. Then the real work begins when you call and remind your members to renew. It can take months and many phone calls for this to happen.

**23. How can we apply for Honorary Life Membership?**

You don't apply for Honorary Life Membership. You usually receive a notification from the AAUW National Office. The AAUW National office is backed up right now because everyone is working from home. If you feel you have been forgotten, ask your branch membership person to look into it or contact the state membership person to look into it for you. Some members have had a lapse in their 50 years, so it is longer than they expected.

**24. What membership dues go to National and what stays in house?**

Membership dues include National, State and Branch payments. Membership dues for 2022-2023 break down into \$67 for national, \$20 for state and the branch dues for the branch. If not using Community HUB, the branch is responsible for forwarding the national and state dues to the appropriate entity. The branch dues stay within the branch.



# A Roadmap for Branch Financial Management: All Your Questions Answered

## Webinar Questions and Answers

### **25. What dues are tax deductible?**

All but \$3 of national dues is tax deductible. For 2022-2023, \$64 of the national dues of \$67 can be deducted. State dues are not tax deductible. If your branch is 501(c)(3), your branch dues can be deducted. However, most branches are 501(c)(4) and their branch dues are not tax deductible.

### **26. Do College/University Partnership AAUW members who join a local branch have to pay California state dues?**

College/University Partners are allowed two members when the school becomes part of the program. They do not continue to be members if the C/U partner does not renew their membership or if they are no longer part of the institution. California does not collect dues from these members (it is part of the California Policies and Procedures) if they choose to join a local branch.

### **27. Do e-student affiliates who join a local branch have to pay California state dues?**

E-student affiliates are also forgiven state dues. They must however pay branch dues unless the branch forgives these dues for e-student affiliates. The same is true for student affiliates.

### **28. When you have an issue with Community HUB, how do you go about resolving it?**

This is a difficult question to answer without knowing what the issue is. Some issues can be resolved within the branch, the state membership committee chair can resolve or help resolve some issues or at least offer insight and sometimes you must call national.

### **29. What membership policy changes can we expect as we switch to the new Community HUB at national?**

At this moment in time, there are no apparent policy changes as AAUW National adopts a new database system. Effective 6/30/2020 the Give a Grad a Gift program (GGG) will be sunsetted. The Shape the Future program will continue.

## **Fundraising and Special Projects Fund**

### **30. What guidance can you give us regarding holding raffles?**

California state law has very stringent requirements for raffles. All raffles must comply with the "90/10 rule" where 90% of the proceeds must go to charity and only 10% of the proceeds may be expended on winnings or raffle related expenses. This means that 50/50 raffles are now illegal. We have provided a summary of the [state and federal rules regarding raffles](#) on the AAUW California website.



# A Roadmap for Branch Financial Management: All Your Questions Answered

## Webinar Questions and Answers

### **31. How can a 501(c)(4) branch accept tax deductible contributions?**

For AAUW California branches, tax deductible contributions are either for the AAUW FUND and must be made out as such, or are for a state or branch project that uses AAUW California SPF as its tax-deductible fiduciary entity. For those approved programs/projects using SPF, all donations are made out to AAUW California SPF and are tax deductible. There is no other way a 501(c)(4) branch can accept tax-deductible contributions.

### **32. If a donor makes a contribution to our 501(c)(4) organization and we immediately pass it through to a 501(c)(3), is that contribution tax deductible?**

No, but the answer is more complicated. Fundraising guidelines from national specifically state that if we are acting as an agent of our AAUW national 501(c)(3) Fund, that we may pass through donations as long as we include the same demographic information on the participant that would be included with a direct donation. This is important as proceeds from fundraisers support multiple causes. We need to specify the % that will go to each cause in the promotional literature.

The above answer does not apply to funds that must go through SPF, such as funds for Tech Trek, Speech Trek, or a branch project or scholarship approved to use SPF as its tax-deductible fiduciary agent. All such monies must be sent by the branch to SPF and the donations made out to AAUW California SPF. The branch cannot accept funds made out to the branch, pass them to SPF and tell the donor they are tax deductible.

### **33. Do Tech Trek and the other projects in the California SPF all have the same IRS Tax ID? All projects/programs and scholarships approved to use SPF as their tax-deductible fiduciary agent come under SPF's Tax ID. The Tax ID number cannot be used by any branch for tax reporting purposes nor for grant applications for programs/projects that are not approved to use SPF.**

### **34. Why don't all deposits into SPF earn interest? How are they held until the branch needs them?**

The majority of the monies deposited with SPF are in and out within a year. SPF has a policy that a specified amount of money must be held by SPF for at least a year in order for it to be invested in an interest-bearing account. This means those funds stay in SPF and stay constant. This is not the case for the majority of the monies passing through SPF. Interest rates are very minimal on accounts that hold the in and out funds.