

Chapter Treasurer's Call: Overview of Annual Financial Reporting

September 2023

Agenda

- Annual Reporting Deadlines
- Common Issues with Annual Reporting
 - Cash vs. Accrual Basis of Accounting
 - Revenue Issues
 - Expense Issues
 - Cash & Investment Issues
 - Other data needed for 990 filing
- IRS Correspondence
- Contact Information

Reporting Deadlines

- Thursday, November 16th, 2023
 - FY 2024 Budgets are due
 - FY 2023 Annual Financial Report is due
- Grant Applicants: your Annual Financial Report must be submitted in order to be considered for grant funding (the deadline for grant applications is December 13th).

Requirements

FY 2024 Budgets

- Must be uploaded to the online reporting portal
 - Excel Docs, Word Docs, and PDFs are acceptable
- We will contact you if we have questions

FY 2023 Financial Reports

- Submitted via the online reporting portal
- Data is collected via the following tabs:
 - Revenue
 - Expenses
 - Cash & Investments
- There is also a Home tab with instructions and a Summary tab which reconciles the information you have entered

International Reporting

- Chapters outside of the US are not included in the Group 990 filing but are asked to provide the same data for the sake of comparison.
- To make the reports comparable we require all reports to be submitted in US dollars.
- Please, use the exchange rate at 9/30/2023 to convert your operating currency to US dollars.
- A foreign currency adjustment will likely be needed to balance your report since the Cash & Investment balance from the prior year was likely converted at a different rate.
- Please contact us with any issues you run into.

Entering your financial data

- Three data entry tabs:
 - Revenue
 - Expenses
 - Cash & Investments
- The report is self reconciling.

HOME	REVENUE	EXPENSES	CASH & INVESTMENTS	SUMMARY
Summary				
	Revenue			\$0.00
	Less expenses			-\$0.00
	FY 0 Net			\$0.00
	Plus Reported FY -1 cash & investments			\$0.00
	Calculated FY 0 cash & investments			\$0.00
	Reported FY 0 cash & investments			\$0.00
	Difference			\$0.00

BACK

Revenue

- There are four pre-populated categories for revenue.
- Please add additional categories only when necessary.
- Advertising income is reported separate for UBIT reporting purposes.

The screenshot shows a software interface with a navigation bar at the top containing 'HOME', 'REVENUE' (highlighted in a red pill), 'EXPENSES', 'CASH & INVESTMENTS', and 'SUMMARY'. Below the navigation bar, the title 'Revenue' is displayed. The main content area is divided into three sections: 'Operating Income' (with a question mark icon and a red edit icon), 'Advertising Income' (with a question mark icon and a blue 'Add Advertising Income' link), and 'Total Revenue' (with a value of '\$0.00'). A list of revenue categories is shown below 'Operating Income': 'Rebates' (\$0.00), 'Bank Interest' (\$0.00), 'Program Registration Fees' (\$0.00), and 'Program Sponsorships' (\$0.00). A blue link 'Add an Income Source' is positioned below the list. At the bottom right, there are two red buttons: 'BACK' and 'CONTINUE'.

Category	Value
Operating Income	
Rebates	\$0.00
Bank Interest	\$0.00
Program Registration Fees	\$0.00
Program Sponsorships	\$0.00
Add an Income Source	
Advertising Income	
Add Advertising Income	
Total Revenue	\$0.00

Expenses



- There are seven sections on the Expenses tab:
 - Operating Expense (\$)
 - Employee, Admin, & Contractor (\$)
 - W-2 & 1099 information
 - Board voting information
 - Contributions (\$)
 - Scholarships (\$)
 - Highly paid vendor information (\$)

The screenshot shows the 'EXPENSES' tab selected in a navigation menu. Below the menu, there are two main sections: 'Expenses' and 'Employee, Administrator, Bookkeeper & Other Contractor Data'. The 'Expenses' section contains a list of categories with their respective amounts, all currently set to \$0.00. At the bottom of the list is a link to 'Add another expense'. The second section has a link to 'Add an Employee, Bookkeeper or Contractor'.

Expenses	
Operating Expenses ?	
Programs (meetings, CLE fees, etc.)	\$0.00
Contribution Expenses	\$0.00
Newsletters & Directories	\$0.00
Stationery/Office Supplies/Printing	\$0.00
Telephone/Internet/Fax	\$0.00
Postage/Delivery	\$0.00
Rent	\$0.00
Travel/Registration Fees	\$0.00
Bank/Credit Card Fees	\$0.00
Board and Committee Meetings, Gifts & Related Expenses	\$0.00
Insurance	\$0.00
Pro Bono and Diversity	\$0.00
Publicity / PR	\$0.00
Computer Hardware & Software	\$0.00
Legal Fees	\$0.00
Social and Charity Events	\$0.00
Add another expense	
Employee, Administrator, Bookkeeper & Other Contractor Data ?	
Add an Employee, Bookkeeper or Contractor	

Expenses - continued

- Because all the dollar values on this page get added to total expense, working backwards from bottom to top may be easiest.

W-2 And 1099 Summary ? 	
Number of 1099s issued:	0
Number of W2s issued:	0
Chapter Board Voting Information ? 	
Number of Board Members with Voting Rights at the end of the Current Fiscal Year	0
Contributions ?	
Add a Contribution	
Scholarship Expenses ?	
Add a Scholarship	
Highly Compensated Vendor Data > 100k ?	
Add a Vendor	
Total Expenses	\$0.00

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Contractor and Administrator Data

New this year:

- When adding your "Employee, Administrator, Bookkeeper & Other Contractor Data" you will need to specify an "Employment Type."
- This is to make certain that we are classifying individuals correctly on the US Form 990 that is filed for all Chapters.
 - **Note: Employees receive W-2's; Contractors receive 1099's; and Management Companies are just vendors.**

The screenshot shows a web form titled "Chapter Financial Information" with the instruction "Add an Employee, Administrator, Bookkeeper or Contractor". The form contains several input fields: "Position", "Employment Type" (with a dropdown menu showing options: Part-time Employee, Full Time Employee, Independent Contractor, Association Management Company, and Other), "Company/Employer", "Title", "Hours worked per week" (with a value of 0), and "Total FY compensation" (with a value of \$ 0). At the bottom of the form are two buttons: "SUBMIT" and "CANCEL".

Cash & Investments

- All bank and investment accounts should be listed separately.
- The same information is collected for each account.

Chapter Financial Information

Financial Institution

Name

Address

Accounts
Please list all accounts held at this institution

Account type	Account number	Reconciled balance as of the End of the Current Fiscal Year
Add account type		

ABA Routing Number or Swift Code

Authorized Signers

Reserve Calculation

- The Financial Reporting Portal will calculate your chapter reserve balance (in months of expense) automatically and report it on the Summary tab.
- The recommended reserve range for chapters is still 3-6 months. If you have a balance of nine months or more, the report will prompt you to add an explanation and explain how your chapter plans to invest its excess reserve. Please reach out with questions, we are happy to help.

Common Issues with Reporting

- The report is self reconciling.
- This reconciliation only works when the cash basis of accounting has been followed.
- If you have issues getting the report to reconcile it is most often due to one of the issues on the following slide.

Cash vs. Accrual Accounting

- Outstanding checks
 - Deposits in transit
 - Currency conversion gains and losses
- ***Note: Please do not add unsupported revenue or expense items to balance your report.***

Cash & Investment Balances

- Cash and investment balances must be reported at their actual 9/30/2023 balances.
- These should come directly from the 9/30/2023 statements provided by your bank and/or investment broker.
- Reporting the wrong cash and investment balance in order to balance your report will throw off future year reporting and cannot be fixed in subsequent years.
- A few exceptions to this may apply.
- Contact us with questions.

Other 990 Data

- There are a number of things collected on the report that are strictly for 990 reporting
- These items include:
 - The number of 1099's filed
 - The number of W-2's filed
 - Annual spending of over \$100,000 with any one vendor
 - Tax ID #'s for:
 - Recipients of Contributions
 - **Advertising Revenue**

Chapter Officer Data

- The new module will allow for this data to be compiled by ACC outside of the annual reporting process.
- This data will still be reported to the IRS, so it is important to make updates to your Board lists as they occur.

International Chapter Considerations

- As mentioned earlier, chapters outside of the US are not included on the Group 990.
- As a result, a number of the 990 specific requests are not possible to comply with.
- We ask that you provide as much detail as possible and let us know where on the form you were not able to provide the requested information.
- As we expand globally, we are constantly working to make our reporting requirements uniform to the greatest extent possible.

Tax ID's

- Tax ID's are acquired via Form W-9.
- W-9's should be requested up-front before any payments are made.
- Most vendors & organizations are used to providing a W-9 so do not feel bad asking for one.
- Please be specific when reporting and be sure to distinguish between payments to Individuals vs. payments to Companies.

1099's

- 1099's need to be delivered to contractors and the IRS by January 31st.
- A scanned copy of your 1099's and Form 1096 should be emailed to e.sharrer@acc.com.
- Note: you are also required you to enter the number of 1099's you filed for the previous calendar year into the financial reporting module (calendar year 2022 for your FY23 report).

Advertising Revenue

- Advertising revenue needs to be reported because it can generate Unrelated Business Income Tax (UBIT).
- UBIT definition: Even though an organization is recognized as tax exempt, it still may be liable for tax on its unrelated business income. For most organizations, unrelated business income is income from a trade or business, regularly carried on, that is not substantially related to the charitable, educational, or other purpose that is the basis of the organization's exemption.

IRS Correspondence

- It can take up to 60 days for the IRS to process paper filed returns
- As a result, the IRS may often fail to properly update all Chapter's accounts when the group extensions are filed, which may from time-to-time result in erroneous "late filing" notices being auto-generated to the chapters
- Please rest assured that the Group return has always been and always will be timely filed by its final extended deadline, and all chapter accounts will be properly updated and brought up to date and in good standing once the IRS has processed the final return

Accessing the Financial Portal

- Go to: chapters.acc.com.
- Use your acc.com login and password.
 - There is a “forgot password” link on the site if you need it
- If you experience any issues logging into the site or encounter any technical difficulties, please reach out to chapters@acc.com immediately.

Chapter Rebates in FY2024

All ACC chapters are entitled to a membership rebate equivalent to

- US\$30 for every paying new and renewing member in the individual category, and
- US\$15 for every new and renewing member in the corporate membership category.
- In-house counsel covered under discounted Tier B, C or D memberships, complimentary, retired, or in-transition memberships are not eligible for rebates.

Chapter Rebates in FY2024

- Rebates are triggered by the receipt of dues payments by ACC for new and renewing members.
- Rebates are typically paid out quarterly. Email us at chapters@acc.com should you wish to receive rebates in a single, annual payout (usually by end of November after the conclusion of the fiscal year.)
- Conditions apply: ACC HQ must have your FY2023 financial report, and FY2024 Budget on file.

Contacts

Chapters Department Contact

- **Contact the chapters department with any general inquiries you may have about the Financial Portal and login issues.**
 - Chapters Department (chapters@acc.com)

Finance Department Contacts

- **Contact the Finance Department with any questions you may have related to financial matters (including annual reporting, UBIT, budgeting, and IRS correspondence).**
 - Ed Sharrer, Director of Finance (e.sharrer@acc.com)
 - Dawn Gorham, Finance Manager (d.gorham@acc.com)

Questions?