

## District Treasurers' Seminar Q & A

**1. How does National handle reimbursements when the person declines to be reimbursed (mileage for example) and asks that amount to be donated back to mites.**

*Expenses that are not reimbursed but instead donated back to mites are recorded as in-kind donations. The accounting entry is a debit to the expense account and a credit to the in-kind revenue account.*

**2. Does National look at situations to review if state taxes should be paid? i.e. if convention is held in a state that has a sales tax and items are sold at convention, sales tax should be charged to the customer in some instances leading to a licensing requirement in some states.**

*Yes, National does determine if it is necessary to collect sales tax in the state where the convention is held. It is appropriate to contact the Department of Revenue in the state where the event is to be held in order to determine if it is necessary to collect sales tax. Some states waive the requirement to collect sales tax for one time, temporary events.*

**3. How are budgets for district conventions prepared and by whom?**

*Many districts enlist the host committee to draft the convention budget. Budgets can be based on past historical data and projected future known income and expenses.*

**4. Is there a separate treasurer and/or financial secretary for the district convention, or does all income and expense flow through the district checking account?**

*A viable option would be to either set up a separate checking account for all income and expenses that are convention related or, if possible, set up detailed account parameters within your accounting software program that separates the income and expense detail for convention related items.*

**5. What computer software programs, if any, are used for tracking income and expense at the district level?**

*The National LWML office uses QuickBooks Enterprise Solutions. This software program is very user friendly and allows for very detailed tracking when necessary. There are many other accounting software programs on the market that can be tailored to fit the needs of non-profit entities.*

**6. What is the expectation at the National level of the 25% amount to be remitted by the districts? Does that 25% refer only directly to income from mite boxes, or does it include income from all sources (e.g. rally proceeds, special offerings, undesignated gifts, etc.)?**

*All monies received by districts that are not permanently restricted or submitted as payment for the Quarterly Publication are subject to the 25% allocation to national.*

**7. We have 3 checks that we carried on our books that have never been cashed. One check is from 2011, another from 2012 and the third is from September 2014. How long should we carry these checks and what is the correct procedure for getting them off the books?**

*Checks older than 6 months are considered stale dated. Banks do not have to honor these checks. However, the check cannot be voided in your accounting system. This is where the escheatment process comes into play. The rules for escheatment vary by state. Refer to the Department of Revenue in your state for more details. With escheatment, you are still obligated to attempt to reach the vendor and ask that they either cash the check, request a new check or substantiate that they have already cashed the check.*

**8. We have a money market account, a savings account and a rather large CD that were originally established with donations from deceased members so we could use the interest income for mission projects and to establish scholarships for students at Concordia, Chicago. As you know, the interest from CD's, money market, and savings accounts have become next to nothing in recent years and we need to pursue other avenues for investment. Do you know of any vehicle or trust that can give us a higher return than we get now? We also have some money invested in the Lutheran Church Extension Fund. Our rate of return is much better there. Also, how can we plan ahead in the event that our district as we know it today ceases to exist in 30 years' time?**

*The National LWML recently formed an Investment Committee in response to some of the same concerns that you have voiced. The Investment Committee was charged with drafting an investment policy and procedures document. The committee also generated a request for proposal (RFP) that was sent out to 4 investment firms. The Investment Committee chose 2 of these firms to present in person and the final firm was chosen to provide investment services for our endowment funds.*

**9. Please provide the insurance coverage description and amounts that national provides for each district through GuideOne Mutual Insurance Co.**

*The National LWML provides the following insurance coverages through our insurance broker:*

*General aggregate limit \$3,000,000*

*Personal & advertising injury limit \$1,000,000*

*Each occurrence limit \$1,000,000*

*Fire damage limit (legal liability) \$1,000,000*

**10. Is it acceptable to support specific grants?**

*The LWML will not refuse any gift but does not encourage donations to specific grants. Donor restricted contributions create additional accounting entries and tracking procedures that would not otherwise need to be made with an unrestricted contribution to mites for grant support.*

**11. What percentage of mites sent to national are used for grant purposes versus general administrative expenses?**

*Mite contributions received by the National LWML office are split 70/30. Seventy percent of those contributions are earmarked for grant disbursements. Thirty percent of those contribution are maintained to cover administrative expenses such as rent, salaries, benefits, postage, computer and network maintenance, and committee expenses.*