

**Lutheran Women *in Mission***

# **FINANCIAL OFFICER GUIDELINES**

**Valuable Information for Financial Officers**

Presented by Anita Werner, Treasurer



# Qualities

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- Familiarity with bylaws, policies & procedures, and LWML Financial Officer Guidelines
- Detail-oriented with a vision for the long term
- Clear and methodical record-keeping
- Possess teamwork spirit
- Transparent and guided by LCMS beliefs
- Understanding of nonprofit status
- Heart for Lutheran Women in Mission



# In this Presentation

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## Here's what we'll cover:

- Nonprofit Status
- Opening a Bank Account
- Records Retention
- Risk Management
- Mite Offerings
- Payments to National Organization
- Legacy Gifts

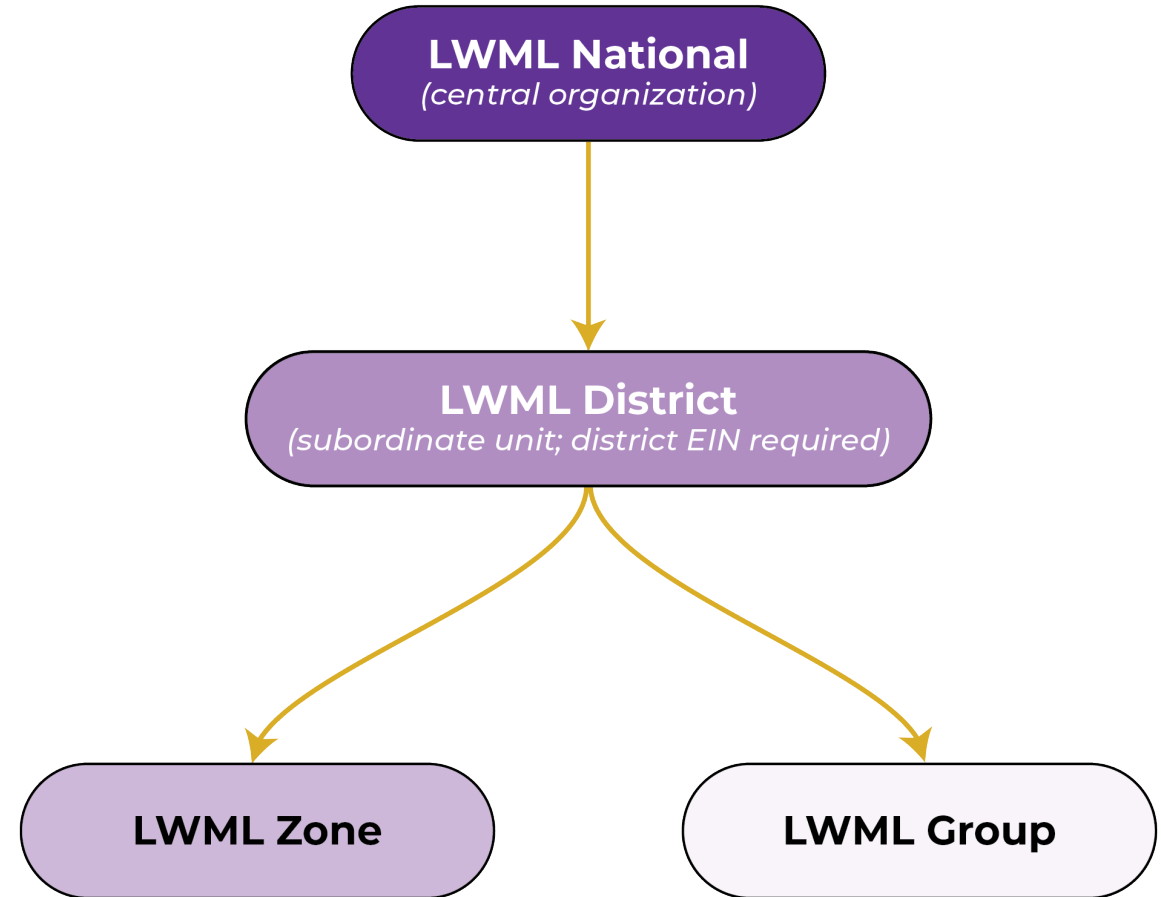


# NONPROFIT STATUS



# Nonprofit Status

- LWML National-Parent Organization is a 501(c)(3).
- Districts are subordinates of parent non-profit.
- Districts are separate legal entities.



# Employer Identification Number (EIN)

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LWML National EIN ***may not be used*** by any district or other unit of the LWML.

## DISTRICTS

- Own EIN assigned
- Can be found in Financial Officer Guidelines

## ZONES & GROUPS

Use EIN of their District

## SOCIAL SECURITY NUMBERS

***NEVER*** use a Social Security Number



# IRS Communications

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All communications from the Internal Revenue Service should be maintained in a ***PERMANENT*** file.



CONTRACT

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#### Financial Statement Highlights

(\$'000s unless noted) Q1'1

##### Income Statement:

Core Net Interest Income 65,41

Invest Income 6,31

Expense 32,95

22,71

22,45

0.5

(\$)

7,836,1

5,611,6

5,902,3

3

in (%)

4

1

1

Ratio (%)

Ratio (%)

Ratio (%)

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Ratio (%)

# IRS Form 990

## LWML and its Districts are *Exempt* from filing Form 990

Requests from IRS to complete Form 990 or 990-N

- ***Don't*** complete the form.
- Return form to IRS (blank).
- Attach letter stating:

**As an integrated church auxiliary, we are exempt from filing the 990 form.**





# Tax Exempt Organization Risks

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LWML at risk of losing tax exempt status or incurring costly sanctions if any of these activities occur:

- **Private benefit (inurement) or interest**
- **Influencing legislation (substantial lobbying)**
- **Campaigning for candidates**
- **Illegal activity**



# Form 8822-B for District Presidents

**Form 8822-B** Change of Address or Responsible Party — Business  
(Rev. December 2019)  
Department of the Treasury  
Internal Revenue Service

OMB No. 1545-1163

Please type or print.  
See instructions on back. Do not attach this form to your return.  
Go to [www.irs.gov/Form8822B](http://www.irs.gov/Form8822B) for the latest information.

**Before you begin:** If you are also changing your home address, use Form 8822 to report that change.

If you are a tax-exempt organization (see instructions), check here ☒

Check **all** boxes this change affects.

1 ☐ Employment, excise, income, and other business returns (Forms 720, 940, 941, 990, 1041, 1065, 1120, etc.)

2 ☐ Employee plan returns (Forms 5500, 5500-EZ, etc.)

3 ☒ Business location

**4a Business name**  
Lutheran Women's Missionary League Central Illinois District

**4b Employer identification number**  
23-7540642

**5 Old mailing address** (no., street, room or suite no., city or town, state, and ZIP code). If a P.O. box, see instructions. If foreign address, also complete spaces below, see instructions.  
c/o Past District President Name, 1234 Main Street, Anytown, ST 12345

Foreign country name Foreign province/county Foreign postal code

**6 New mailing address** (no., street, room or suite no., city or town, state, and ZIP code). If a P.O. box, see instructions. If foreign address, also complete spaces below, see instructions.  
c/o New District President Name, 789 Elm Street, Anytown, ST 12345

Foreign country name Foreign province/county Foreign postal code

**7 New business location** (no., street, room or suite no., city or town, state, and ZIP code). If a foreign address, also complete spaces below, see instructions.  
c/o New District President Name, 789 Elm Street, Anytown, ST 12345

Foreign country name Foreign province/county Foreign postal code

**8 New responsible party's name**  
New District President Name

**9 New responsible party's SSN, ITIN, or EIN.** (CAUTION: YOU MUST REFER TO THE INSTRUCTIONS FOR FORM SS-4 TO SEE WHO MAY USE AN EIN.)  
123-45-4578

**10 Signature.** Under penalties of perjury, I declare that I have examined this application, and to the best of my knowledge and belief, it is true, correct, and complete.  
Daytime telephone number of person to contact (optional) 636-785-4562

**Sign Here**

Signature of owner, officer, or representative  
District President

Date  
Title

- District President is official contact for each LWML District.
- Upon election, new DP must file Form 8822-B with IRS within 60 days of taking office (providing name and address).
- New DP should also provide a copy of Form 8822-B to the LWML Office.



# **OPENING A BANK ACCOUNT**





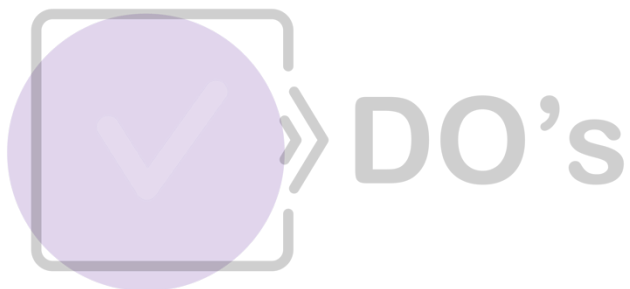
# Establishing a Bank Account

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Consult your bylaws for rules governing checks and checking/savings accounts for your district, zone, or group.

*Note: As a signer on the account, the bank will require certain personal information to verify your identity.*





- Never open a bank account using the LWML national organization Employer Identification (EIN).



- Never use your personal bank account for LWML business.
- Never open an account in your name with LWML funds.
- Never establish a line of credit.



# Financial Institution Comparison

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## Bank

- More advanced mobile apps and technology
- Provides more branches and ATM's nationwide
- Community or Regional Banks vs. National Banks

## Credit Union

- Less options than banks
- Thousands of shared Co-op branch locations and surcharge free ATM's
- Lower fees and better interest rates on savings accounts



# Another Option

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- Part of a Co-op network of shared branches nationwide.
- Call LFCU to find location of shared branches in your area.
- Account opening and changes all completed online with electronic signatures.
- May be a feasible banking option for everyone.



# Important Guidelines for Zones & Groups

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**LWML ZONES:** Accounts should include both district and zone names.  
(e.g., **LWML Missouri District-Central Zone**)

## **LWML GROUPS**

Accounts should include both district and group names.  
(e.g., **LWML Missouri District-Trinity Evening Guild**)

## **EIN USE**

Use your district's Employer Identification Number (EIN) to set up the account. **(You will need to reach out to your district for a completed W-9 Form.)**





# W-9 Form for Districts

Form **W-9**  
(Rev. October 2018)  
Department of the Treasury  
Internal Revenue Service

**Request for Taxpayer Identification Number and Certification**

► Go to [www.irs.gov/FormW9](http://www.irs.gov/FormW9) for instructions and the latest information.

Give Form to the requester. Do not send to the IRS.

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.  
**Lutheran Women's Missionary League Central Illinois District**

2 Business name/disregarded entity name, if different from above

3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only **one** of the following seven boxes.  
☐ Individual/sole proprietor or single-member LLC  
☐ C Corporation  
☐ S Corporation  
☐ Partnership  
☐ Trust/estate  
☐ Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ►

4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):  
Exempt payee code (if any) \_\_\_\_\_  
Exemption from FATCA reporting code (if any) \_\_\_\_\_  
(Applies to accounts maintained outside the U.S.)

5 Address (number, street, and apt. or suite no.) See instructions.  
**c/o District President Name, 789 Elm Street**

6 City, state, and ZIP code  
**Anytown, ST 12345**

7 List account number(s) here (optional)

**Part I Taxpayer Identification Number (TIN)**  
Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.  
Note: If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number  
\_\_\_\_ - \_\_\_\_ - \_\_\_\_  
or  
Employer identification number  
2 3 - 7 5 4 0 6 4 2

**Part II Certification**  
Under penalties of perjury, I certify that:  
1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and

- All districts complete W-9 Form using official contact information (see Financial Officer Guidelines).
- Download current form from the *irs.gov* website.



# W-9 Form for Zones and Groups

Form **W-9**  
(Rev. October 2018)  
Department of the Treasury  
Internal Revenue Service

**Request for Taxpayer Identification Number and Certification**

► Go to [www.irs.gov/FormW9](http://www.irs.gov/FormW9) for instructions and the latest information.

Give Form to the requester. Do not send to the IRS.

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.  
**Lutheran Women's Missionary League Central Illinois District**

2 Business name/disregarded entity name, if different from above  
**Trinity Evening Guild**

3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only **one** of the following seven boxes.

☐ Individual/sole proprietor or single-member LLC ☐ C Corporation ☐ S Corporation ☐ Partnership ☐ Trust/estate

☐ Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ► **501(c)(3)**

**Note:** Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is **not** disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner.

☒ Other (see instructions) ► **501(c)(3)** (Applies to accounts maintained outside the U.S.)

4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):  
Exempt payee code (if any) \_\_\_\_\_  
Exemption from FATCA reporting code (if any) \_\_\_\_\_

5 Address (number, street, and apt. or suite no.) See instructions.  
**c/o Trinity Treasurer Name, 25 Oak Street**

6 City, state, and ZIP code  
**Anytown, ST 12345**

7 List account number(s) here (optional)

**Part I Taxpayer Identification Number (TIN)**

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

**Note:** If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number  
\_\_\_\_ - \_\_\_\_ - \_\_\_\_\_

or  
Employer identification number  
**2 3 - 7 5 4 0 6 4 2**

**Part II Certification**

I Under penalties of perjury, I certify that:

- Zones and groups obtain a current W-9 Form from their LWML District — *not LCMS District.*



# Important Guidelines for Zones & Groups

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- Account address should be the address of the zone/group financial officer who will receive account statements.
- No address should be printed on checks unless required.
- Set-up account with at least two authorized signers, but typically only one signature is required on disbursements unless your zone/group has specific requirements.
- If required, obtain Letter of Authorization from your district.  
*See Financial Officer Guidelines.*



# How to verify your LWML district is a nonprofit?

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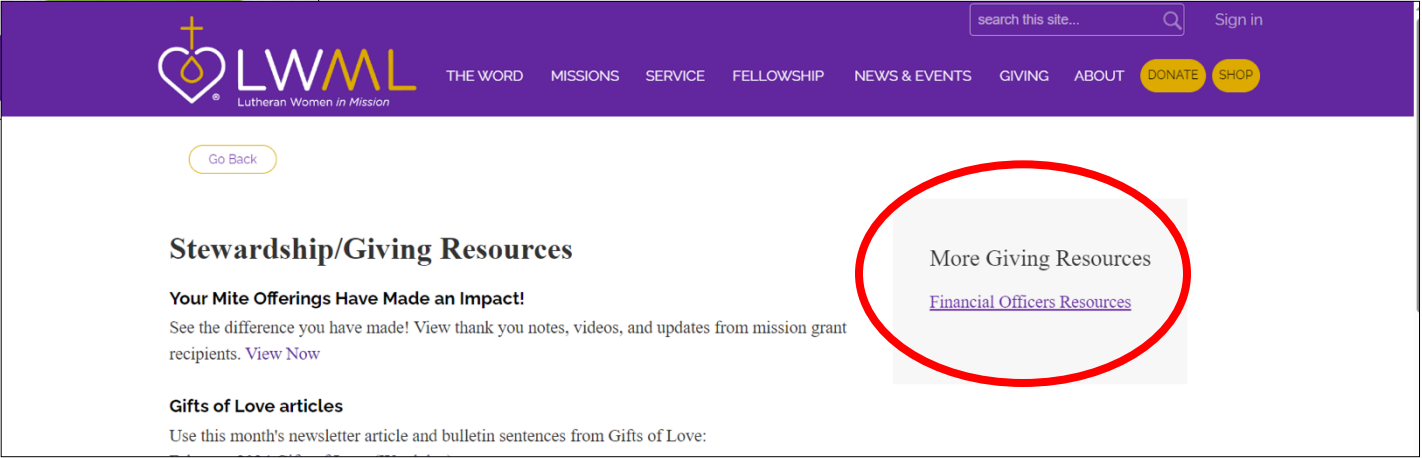
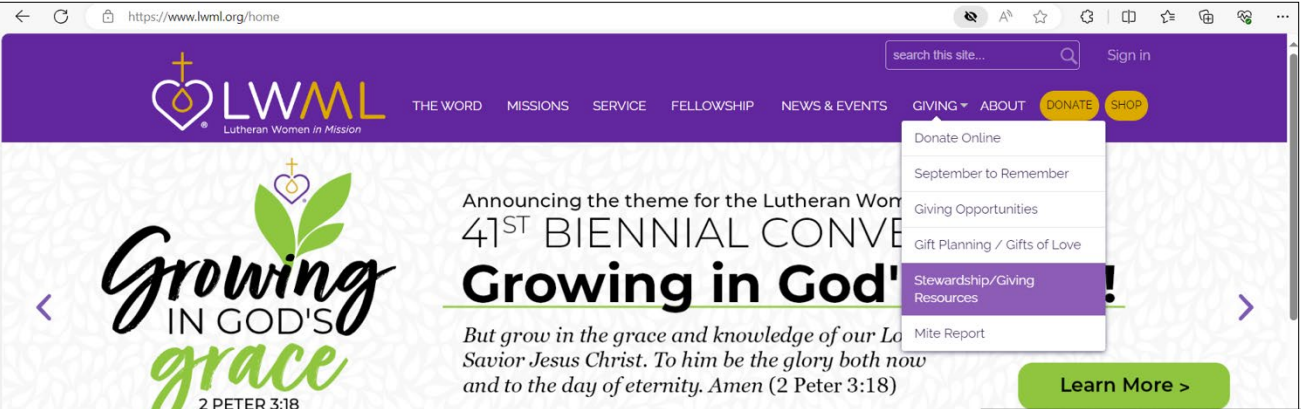
- Each LWML district is a separate nonprofit organization under the IRS group exemption.
- Central organization is LWML headquarters in St. Louis who holds the group exemption.
- Subordinates are the individual LWML districts.
- Contact the LWML Treasurer for a letter verifying your district is a member of LWML's Section 501 (c)(3) group exemption ruling.



# **RECORDS RETENTION AKA RECORDS MANAGEMENT**



# Where to Find Records Mgmt. Policy





# Employer Identification Number (EIN)



- EIN aka Tax ID Number is specific to each district
- IRS confirmation of EIN Issuance (IRS Form CP 575)
- If original is no longer in your files, you can request an "*IRS Verification of EIN Issuance*" letter (IRS 147c form letter).
  - Call IRS Business & Specialty Tax Line at 800-829-4933 to request verification letter if needed.



# Also Note!

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- Retain any letter from the IRS stating your district meets the IRS Section 501(c)(3) requirements of exemption.
- For a letter verifying your district is a member of LWML's 501 (c) (3) group exemption ruling, contact the LWML Treasurer (Anita Werner).





# Also Keep!

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- Articles of Incorporation for your district filed with your state
- Registration and/or incorporation documents from your state
  - May include a copy of certificate of good standing from your Secretary of State
- Current set of bylaws with most recent approval date



# REMEMBER!

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- Keep all IRS correspondence **FOREVER.**
- ***DO NOT*** ignore any IRS notices.



# District Roster

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- Maintain a current roster of Zones and Groups.
  - Contact name of Zone/Group President
  - Address
  - Phone number
  - Email address
- Submit roster to LWML office on or before January 1 of each year.



# **RISK MANAGEMENT**



# Minimizing Risk

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## Internal Controls

Segregate duties to prevent misuse/misappropriation of assets.

## Crime Coverage

- **District** volunteers covered under an Employee Dishonesty Bond (limit of \$20,000 per occurrence)
- Does not include Zone/Group volunteers

## Events

Notify Lutheran Trust for these events:

1. Runs/Walks that are on public/city streets
2. Taking kids to a camp
3. Movie/Video making/production
4. Convention events which include childcare



# MITE OFFERINGS



# Mite Offering Remittances



## Group

Remit mite offerings to zone or district per the payment structure within your district.

## Zone

Remit to district mite offerings.

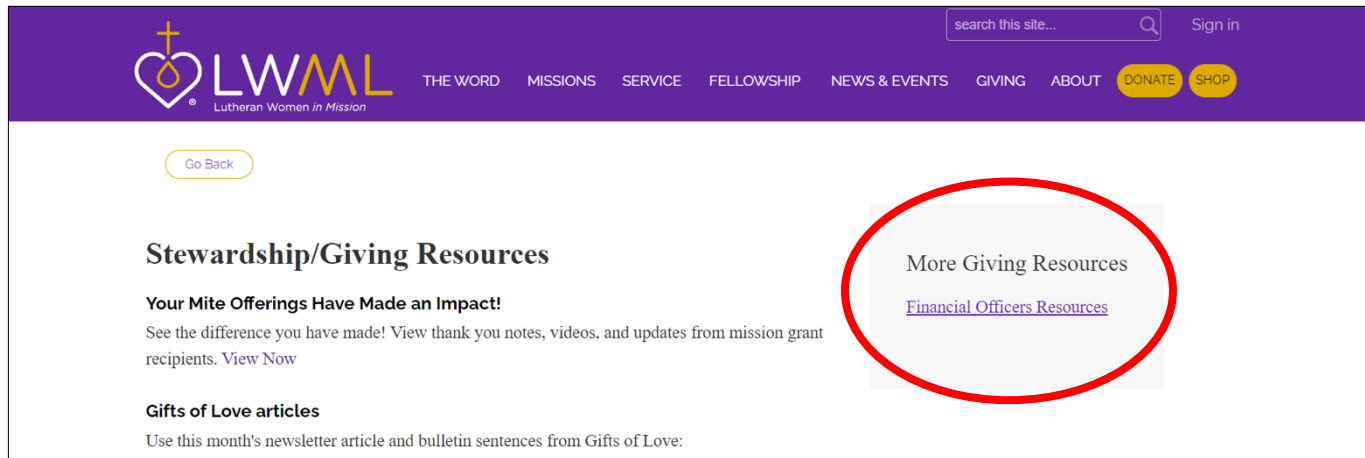
## District

Remit 25% of mite offerings received monthly to LWML National Office.

- Remittances must be accompanied by a *District Remittance Voucher*.



# District Remittance Voucher



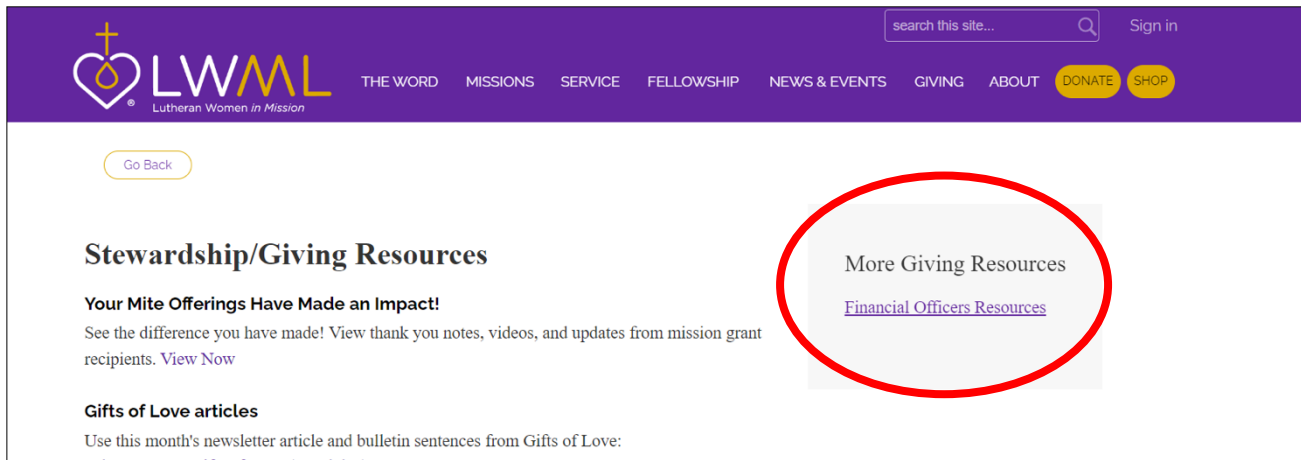
## ALWAYS!

- Include a voucher with ***any checks*** sent to the LWML office
- Email the LWML Treasurer a copy of the Voucher





# Electronic Remittance of *Mite* Offerings



## ***ONLY for MITES***

- District Mite Offering Electronic Remittance Form
  - Complete form
  - PAY
  - Receive confirmation email
  - Forward confirmation email to LWML Treasurer



# **PAYMENTS TO LWML NATIONAL**



# Invoices

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**Districts will receive invoices from the LWML offices for:**

- Liability Insurance
- *Lutheran Woman's Quarterly* Subscriptions
- Travel Expenses
- Name Badges and LWML Merchandise

***Districts are expected to pay invoices upon receipt.***



# LEGACY GIFTS



# 'le-gə-sē' 'gift

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A legacy gift is a planned future gift that designates some part of an individual's estate as a donation to LWML or an LWML District.



# Legacy Gift Processing

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- Donor inquiries should be provided the following wording:  
**The Lutheran Women's Missionary League \_\_\_\_\_ District,  
federal tax identification number of the LWML district #\_\_\_\_\_,  
named in care of the Lutheran Women's Missionary League,  
801 Seminary Place, Suite L010, St. Louis, MO 63105.**
- The LWML Office will forward the actual check received directly to the district via the current district president's address.



# Quick Break!

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- 5-minute break
- Question & Answer Session is next!
- Type your question in the “Chat Box”
  - Include your Name and District
  - Will answer as many as time permits



# Do you still have questions?

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Email: *treasurer@lwml.org*

