

Finance Procedures
Blue Goose Alliance
March 1, 2009

I. ACCOUNTING

- A. The Treasurer will maintain a record of all monies received and paid.
- B. Unrestricted donations will be accounted for in a checking account. Future banking accounts may include a Savings Account and a Restricted Account.
- C. Cash for current expenses will be held in the checking account. Amounts in excess of a Board designated amount may be deposited in a savings account, CD's, and/or money market account.
- D. The signatures of the President and Treasurer are required on each check written for an amount over \$2,500. Should either of these persons be unable to perform this function, the Executive Committee shall select an alternate.
- E. Financial statements will include:

- 1. Annual Treasurer's Report

This report will be prepared by the Treasurer within two months of the conclusion of the fiscal year and will be submitted to the President. It will also be a topic of discussion at the first annual meeting of the Alliance following the end of the fiscal year to which it pertains.

The report will summarize significant income and expense activity of the Alliance during the reporting period and will include a statement of account balances at the end of the fiscal year. It will also include the total income and outgo recorded during the fiscal year.

- 2. Financial Spreadsheet

The Treasurer will maintain a financial spreadsheet detailing activity in the Alliance's bank account. This spreadsheet will include:

- a. A listing of all income (donations, grants, deposits, and interest) showing dates and sources of all income items and when deposited.
- b. A listing of all expense items showing dates, check numbers, payees, and purposes of payment.
- c. A running bank account balance reflecting income and expense activities.
- d. A running balance in any special fund(s) into which the bank account balance may be allocated.

- F. The fiscal year will be January 1 through December 31.

II. EXPENDITURES

A. Travel Expenses

Reimbursements for travel expenses incurred by members in carrying out Alliance business, including attendance at annual and special meetings, must be approved by the President, before payment is made by the Treasurer. Travel expenses include, but are not limited to, actual transportation costs, meals, and lodging.

The President may, in advance of an official trip or meeting, establish in writing the limits, or authorized amounts, of reimbursements to such travelers. In those cases, travelers need not secure individual approval for their claims but may submit such claims directly to the Treasurer for reimbursement.

B. Other Expenses

All other expenses of the Alliance will be paid by check by the Treasurer. For any single payment in excess of \$1,000.00, the Treasurer will obtain the approval of the President, prior to issuance of payment.

C. Reimbursed Expenses Process

Before incurring expenses on behalf of the Alliance for which a member expects reimbursement, the member should obtain the approval of the President.

Once approval is obtained, the member may pay the bill with personal funds and submit a claim for reimbursement to the Treasurer. The claim should indicate the approval of the President.

If approval cannot be obtained before the expense is incurred, such approval should be obtained before a claim is submitted to the Treasurer for reimbursement.

III. DONATIONS

A. Cash Contributions

All cash contributions or donations made to the Blue Goose Alliance will be acknowledged in writing by the Treasurer. This acknowledgment will include the date and amount of the donation so that the donor may claim the contribution on their income tax return. This acknowledgment will also include a statement that the donor did not receive anything of value and hence the contribution is fully deductible.

B. In-Kind Donation

When a member files a claim for reimbursement as described in Section II, above, that member may choose to donate a like, or greater or lesser, amount of these personal expenses by providing a personal check to the Treasurer.

IV. AUDIT

A. An annual audit will be conducted within three months following the close of the fiscal year.

B. Until revenues exceed \$100,000 in a fiscal year, the President will

designate a Board Member to perform the audit. This audit will consist of a review of the financial spreadsheet which lists the income and expenses of the Alliance. This spreadsheet, formatted for Microsoft Excel, will be transmitted electronically to the auditing Board member. Should the Board member require additional documentation, the Treasurer will provide such documents.

- C. When revenues exceed \$100,000 in a fiscal year, the Board may designate an accredited CPA or other qualified person to perform the audit.

V. CONTRACTS

- A. No Board Member or other person may make verbal or written commitments or contract for the resources of the Blue Goose Alliance without prior approval of the BGA Board.
- B. The Treasurer will maintain copies of all contracts for the Blue Goose Alliance.

VI. REPORTING REQUIREMENTS

- A. IRS Annual Filing Requirement

The Treasurer is responsible for annual reporting to the IRS, when applicable, including U.S. Internal Revenue Service 501(c)(3) and Certificate of Incorporation, including any annual updates. One such report is the annual e-Postcard report (Form 990-N) as described below. This report is filed electronically.

[Source: <http://www.irs.gov/charities/article/0,,id=169250,00.html>]

Small tax-exempt organizations whose annual gross receipts are normally \$25,000 or less may be required to electronically submit Form 990-N, also known as the e-Postcard, if they elect not to file Form 990 or Form 990-EZ.

The first e-Postcards are due in 2008 for tax years ending on or after December 31, 2007. The e-Postcard is due every year by the 15th day of the 5th month after the close of the organization's tax year. For example, if the tax year ends on December 31, 2007, the e-Postcard is due May 15, 2008. The e-Postcard cannot be filed until after the tax year ends.

The e-Postcard is easy to complete. The following information about the organization is needed.

- Employer identification number (EIN), also known as a Taxpayer Identification Number (TIN).
- Tax year
- Legal name and mailing address
- Any other names the organization uses
- Name and address of a principal officer
- Web site address if the organization has one
- Confirmation that the organization's annual gross receipts are normally \$25,000 or less
- If applicable, a statement that the organization has terminated or is terminating (going out of business)

The following organizations cannot file the e-Postcard but must file different forms instead:

- Tax-exempt organizations with annual gross receipts that are normally greater than \$25,000 must file Form 990 or Form 990-EZ;
- Private foundations must file Form 990-PF;
- Section 509(a)(3) supporting organizations that are required to file Form 990 or Form 990-EZ.
- IRC section 527 (political) organizations required to file an annual exempt organization return must file Form 990 or Form 990-EZ;

Late Filing or Failure To File the e-Postcard - If an organization does not file its e-Postcard on time, the IRS will send a reminder notice but will not assess a penalty for late filing the e-Postcard. However, an organization that fails to file required e-Postcards (or information returns - Forms 990 or 990-EZ) for three consecutive years will automatically lose its tax-exempt status. The revocation of the organization's tax-exempt status will not take place until the filing due date of the third year.

B. New Mexico Nonprofit Corporate Report

This report is due on or before the fifteenth day of the fifth month following the end of the taxable year.

It is the Secretary's responsibility to complete the Annual New Mexico Nonprofit Corporate Report. The report is then sent to the Treasurer who also signs the report, attaches a check to cover the filing fee, and submits the report to the NM Public Regulation Commission.

In addition to the annual Nonprofit Corporate Report, a supplemental report is required each time there is a change in the Board makeup during the fiscal year. This supplemental report is identical in all respects to the annual report except the form is entitled "Supplemental." A filing fee is also required for a supplemental report. It is handled in the same manner as described above for the annual report.

C. Registry of Charitable Organizations

Every charitable organization registered in New Mexico that does not file IRS Form 990 must submit a Charitable Organization Report to the Registry of Charitable Organizations in the New Mexico Attorney General's Office. This report is due each year within six months of the close of the organization's fiscal year.

There is no filing fee for the annual report. However, a late filing fee of \$100.00 is assessed to organizations not submitting their annual reports in a timely manner.

It is the Treasurer's responsibility to prepare and submit this report annually.

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