

**2010 Annual General Meeting**

Club Accounting

Yee Lee Lo, CPA  
Gary McGee & Co.

January 9, 2010

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New Form 990

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File Form <b>990-EZ</b> for	If gross receipts are less than	<i>AND</i> if total assets are less than
2008	\$1,000,000	\$2,500,000
2009	\$500,000	\$1,250,000
2010	\$200,000	\$500,000

If your organization does not meet the above thresholds, file **Form 990**.

NOTE: Organizations with gross receipts of \$25,000 or less must submit a new electronic form called the **990-N**, or e-Postcard.

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**Why the Redesign?**

- Enhancing transparency
- Promoting tax compliance
- Minimizing the burden of the filing organization

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**New Governance Section**

*Governing body and management –*

- Voting members of the governing board who are independent
- Family or business relationships among board members and key employees
- Material diversion of the organization's assets
- Documentation of meetings held by the board or each committee acting on behalf of the governing board

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**New Governance Section**

*Policies –*

- Copy of the Form 990 provided to the governing board prior to filing
- Process for reviewing the Form 990
- Written conflict of interest policy
- Written whistleblower policy
- Written document retention and destruction policy
- Process for determining compensation of top management officials and key employees
- Written policy for participation in joint ventures

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**New Governance Section**

*Disclosure practices –*

- How does the organization make the following available to the public?
  - Form 1023
  - Form 990
  - Form 990-T (if applicable)
  - Governing documents
  - Conflict of interest policy
  - Financial statements

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**New Governance Section**

*Financial statements and reporting –*

- Financial statements compiled, reviewed or audited?
- Committee responsible for oversight of the audit, review or compilation
- Audit in accordance with OMB Circular A-133

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**Revised Compensation Reporting**

- New definitions for “officers” and “key employees”
- Compensation based on W-2 (990-EZ filers have 2 options)
- Thresholds for reporting top five highest compensated employees and highest paid independent contractors was raised from \$50,000 to \$100,000
- Schedule J to provide additional info on compensation practices and policies –
  - Certain benefits provided to listed persons in the Form 990
  - Written policy regarding payments or reimbursements of certain benefits
  - Method for establishing executive compensation

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**Disclosure of Insider Transactions**

*Schedule L to report the following transactions with interested persons –*

- Excess benefit transactions
- Loans
- Grants or other financial assistance
- Business transactions

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**Schedules to the Form 990**

- Schedule A, Public Charity Status <sup>1</sup>
- Schedule B, Schedule of Contributors <sup>1</sup>
- Schedule C, Political Campaign and Lobbying Activities <sup>1</sup>
- Schedule D, Supplemental Financial Statements
- Schedule E, Schools <sup>1</sup>
- Schedule F, Statement of Activities Outside U.S.
- Schedule G, Fundraising and Gaming Activities <sup>1</sup>
- Schedule H, Hospitals
- Schedule I, Grants to Orgs, Gov't and Individuals in U.S.

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**Schedules to the Form 990**

- Schedule J, Compensation Information
- Schedule K, Supplemental Info. on Tax-Exempt Bonds
- Schedule L, Transactions With Interested Persons <sup>1</sup>
- Schedule M, Non-Cash Contributions
- Schedule N, Liquidation, Termination, Dissolution <sup>1</sup>
- Schedule O, Supplemental Information
- Schedule R, Related Entities

<sup>1</sup> Required for Form 990-EZ filers, if applicable

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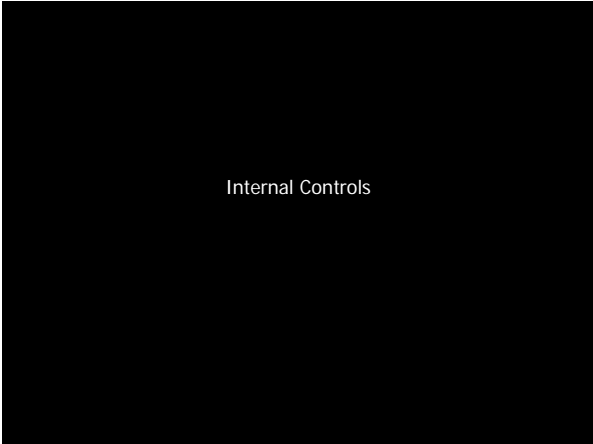
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Internal Controls

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**Internal Controls**

- Clear procedures in all areas
- Written accounting policies and procedures
- Limit the number of check signers
- Special procedures for large checks
- Make deposits often
- Require original receipts/invoices
- Approval of check requests

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**Internal Controls**

- Review requests for reimbursement
- Segregation of duties
- Vacation policies
- Annual independent audit
- Make sure Board is involved in and understands finances
- Documentation and accurate recording
- Timely issued financial statements

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**Internal Controls**

- Conflict of interest policies and ethics statements
- Bank statement review and reconciliation
- Use prenumbered documents
- Independent checks on performance
- Review and approve all journal entries
- Adopt an annual operating budget
- Limit access to documents and valuable assets
- Fidelity bond coverage

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Questions?

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