



Training Outline: Club Treasurer

This training outline is designed for incoming Club Treasurers of the National Exchange Club. It aims to provide a comprehensive understanding of their financial responsibilities, ensuring the club's financial stability and compliance with National Exchange Club policies and IRS regulations.

Module 1: Understanding the Club Treasurer Role & Financial Fundamentals

Objective: To provide a foundational understanding of the Club Treasurer's position and the core principles of financial management within an Exchange Club.

- **1.1. Role of the Club Treasurer:**
 - Serving as the caretaker of all club monies.
 - Responsible for collecting, depositing, and disbursing funds as designated by the club's board of directors.
 - Ensuring the financial solvency of the club.
- **1.2. Key Relationships:**
 - Collaboration with the Club President and Board of Directors.
 - Interaction with the Club Secretary for record consistency.
 - Understanding the reporting relationship to the District Treasurer and National Headquarters.
- **1.3. Exchange Club Financial Principles:**
 - Funds obtained from the community are used exclusively for service projects and to cover liability insurance.
 - Understanding tax deductibility of donations to 501(c)4 vs. 501(c)3 organizations (National Exchange Club vs. National Exchange Club Foundation).

Module 2: Financial Record Keeping and Management

Objective: To master accurate and complete record-keeping practices for all club financial transactions.

- **2.1. Collecting and Depositing Funds:**
 - Promptly billing members for dues and collecting joining fees.

- Collecting all funds due to the club.
- Properly depositing all funds into designated club accounts.
- **2.2. Disbursing Funds:**
 - Disbursing funds in the manner designated by the club board of directors.
 - Adhering to club bylaws and policies for all expenditures.
- **2.3. Maintaining Accurate Records:**
 - Keeping complete and accurate records of the club's financial transactions.
 - Maintaining accounts showing receipts and expenditures for different purposes.
 - Ensuring all books and records are available for inspection by the club board and authorized auditors.

Module 3: Budgeting and Financial Reporting

Objective: To effectively manage the club's budget and prepare clear, timely financial reports.

- **3.1. Annual Budget Preparation:**
 - Collaborating with the club board to prepare an annual operating budget of estimated costs and expenditures.
 - Ensuring the budget aligns with the club's goals and planned service programs.
- **3.2. Financial Statements and Reports:**
 - Presenting financial statements and reports to the club board at regular intervals.
 - Making a financial report at the annual club meeting/convention and as requested by the board.
 - Periodically comparing the original budget with actual expenditures and examining variances.

Module 4: Compliance and Audit Requirements

Objective: To understand and fulfill the club's compliance obligations, particularly regarding tax-exempt status and audits.

- **4.1. Tax-Exempt Status (501(c)4):**
 - Understanding the club's exemption from federal income taxes on dues revenue.
 - **Crucial:** Filing Form 990 or 990-N (e-postcard) with the IRS by November 15 each year for the previous administrative year ending June 30.
 - Knowing the Group Exemption Number (GEN): 1097.
 - Understanding the consequences of not filing (loss of tax-exempt status).

- Sending a PDF copy of Form 990 to National Headquarters (Financial@NationalExchangeClub.org).
- **4.2. Annual Audits:**
 - Ensuring the club's books and records are audited at least once a year.
 - Working with the independent committee appointed by the club president to conduct the audit/review.
 - Submitting the audit report to the club board.
- **4.3. Insurance Coverage:**
 - Understanding the club's Comprehensive General Liability (CGL) and Umbrella Liability coverage.
 - Understanding Crime Insurance provided under a master policy (Dishonesty and Money limits/deductibles).
 - Knowing how to obtain a Certificate of Insurance if needed.

Module 5: Utilizing Technology and National Resources

Objective: To leverage available technology and national resources to enhance financial management efficiency.

- **5.1. Online Resources:**
 - Utilizing the Exchange Club Member Website for tax information (IRS & Tax Info section) and forms (e.g., Passthrough Grant form).
 - Exploring online interactive training from the IRS (StayExempt.irs.gov).
- **5.2. Payment Technologies:**
 - Considering payment-sharing apps and credit card readers for collecting funds at events and fundraisers.
- **5.3. Collaboration with National Headquarters:**
 - Contacting National Headquarters (Financial@NationalExchangeClub.org) for technical or procedural questions regarding exempt organizations or for assistance with financial matters.

Resources for Club Treasurers:

- **Club Leadership Guide:** Provides guidance on club operations.
- **Exchange Education Courses:** Specifically the "Club Treasurer Orientation" course on the Exchange Club Member Website (completion by August 1 for awards).
- **Exchange Club Member Website:** Essential for forms, tax info, and other resources.
- **IRS Website (IRS.gov):** For Form 990 and general tax-exempt organization information.
- **National Headquarters Staff:** For financial questions and assistance.

- **Club President and Board of Directors:** For guidance on budget and expenditure approvals.

This outline provides a thorough guide for Club Treasurers to manage their club's finances responsibly and in compliance with all relevant guidelines.