

BEST PRACTICES

for Local Association Finance, Insurance and Taxation



This is a guide for Local Association Boards regarding basic steps to put in place for compliance with finance, insurance and taxation issues. These controls are important to remain compliant and protect your Board of Directors and members. The purpose of this guide is to raise issues for your consideration, but you should make sure you engage and consult appropriate legal and tax counsel to help you make the proper decisions to put you in the proper place relative to compliance.

IRS Filing

Organizations exempt from income tax under section 501 (a) must file an annual information return, Form 990 – Return of Organization Exempt from Income Tax (or submit an annual electronic notice Form 990-N). The form must be filed by May 15 if the organization follows the calendar year as fiscal year. There are fines and penalties for failure to file.

Proper Contracts

Maintain files with copies of contracts with administrative support staff, outside vendors, attorney, accountant and event venues.

Insurance

Obtain insurance for Directors & Officers, General Liability (including liquor liability) and for special events such as golf tournaments.

Membership List

Protect your membership list; do not release to outside vendors.

Proper Dues Schedule

Review membership dues routinely, check local association by laws for rules regarding changes and notify Big I New York of any dues increases or decreases.