

Sons of Union Veterans of the Civil War



Treasurer's Handbook May 2021

TABLE OF CONTENTS

		Pages
CHAPTER ONE	The Basics	3 - 5
CHAPTER TWO	The Camp Treasurer	6 - 20
CHAPTER THREE	Forming a New Camp	21 - 24
CHAPTER FOUR	The Department Treasurer	25 - 35

CHAPTER ONE

The Basics

Being the Treasurer of an all voluntary not-for-profit organization like a Camp or Department within the Sons of Union Veterans of the Civil War is a responsibility that must be rendered with high integrity and lofty standards. Close treasurer oversight of cash, checks, and deposits is vital. If you can't always be present when money is changing hands, be visible enough that others know that you are engaged. Be especially scrupulous about keeping personal funds (yours and others') separate from Camp or Department funds.

Given the limited personnel resources (it is usually just you), it is likely impossible to divide up financial duties as part of an internal control system, particularly since you can't always exert the same degree of control with volunteers as paid staff. However, a few essential rules should be followed:

- Since in most of our Camps and Departments, the Treasurer must both receive and reconcile the bank statements AND write checks, there is a need to take a mitigating action. One such action is to bring the bank statement and the reconciliation to meetings and have the Camp or Department Council (or an appointed member of the council) to review them.**
- Incoming checks should receive immediate restrictive endorsement (preferably a bank stamp, or handwritten "For deposit only, ABC Bank, Account # 123445") and be deposited as soon as possible, with no cash back.**
- Outgoing checks must be supported by an approved original invoice or receipt. If a Camp or Department Brother asks for a reimbursement but doesn't have a receipt, the best response is: "I wouldn't be doing my job as Treasurer if I didn't insist on receipts from everyone."**

- **Checks should never be signed in advance and blank checks should not be signed to be “filled in” later. There should be more than one Brother authorized as a signatory on each bank account. And the other signatories should be Brothers who are easily accessible. This allows the Camp or Department to function in the absence of the Treasurer.**
- **Due to the small size and disparate locations of most Camps and Departments in our organization, only one signature is required on checks in most instances. In fact, best practice only requires one signature. However, if a Camp or Department has significant funds in a single account, they may choose to require two signatures for that account or on large checks. Again, in this situation, signatories must be readily accessible for the Camp or Department to function.**
- **The Treasurer should never sign a check made out to himself. This is clearly prohibited by the Constitution and Regulations and if done would be subject to disciplinary action.**
- **Follow the calendar of due dates for filing reports to the Department or National Organization. This calendar may be found on the SUVCW web site and is included within the text of this manual.**
- **Keep a calendar of filing requirements to other local and state entities and assign responsibility (even it’s to yourself). Late fees and/or penalties can be costly and diminish stakeholder confidence.**
- **File Form 990 (usually Form 990N in our camps and departments) on time and without delay. Form 990N is due on the 15th day of the 5th month following the fiscal year end of the camp or department. For a June 30th fiscal year end, the Form 990N is due November 15th. For a December 31st or calendar year end, the due date is May 15th.**

- **However, the 990N can be filed on the first day following year end. It is recommended that you file it at the earliest opportunity. You will read this mantra repeatedly in this manual. There is no reason that a Form 990N should ever be filed late.**
- **Obtain an IRS Form W-9 from those providing paid services to the Camp or Department (an unusual circumstance for most Camps but could happen especially in the preparations for or the execution of a large event).**
- **File Form 1099-MISC to report payments totaling more than \$600 per calendar year to such persons. Forms and related instructions are available at the IRS website.**
- **Register, when required, with the charitable solicitation office in your home state AND as required by any local county or city ordinance when you intend to fund raise.**
- **Camps and Departments who are tax exempt under the National Organization's Group Exemption Number 0429 are exempt under Section 501(c)3 of the tax code and contributions (donations) are tax deductible.**
- **Any other tax status should be approved by the National Treasurer and the Council of Administration before any application is made to the IRS to change a Camp's or Department's tax status.**
- **Obtain permits and licenses. Check on regulatory requirements before undertaking extraordinary events.**
- **Manage risks. Sometimes it will be necessary to apply for an insurance rider to protect the camp or department. The National Insurance Policy may cover your event. Submit your request to the National Treasurer well in advance of your event, but no less than three months in advance.**

CHAPTER TWO

The Camp Treasurer

In the Constitution and Regulations of the Order, the duties of the Camp Treasurer are defined as follows:

CHAPTER 1, ARTICLE 8, SECTION 5.

Camp Treasurer - The purpose of the office of Treasurer is to serve as custodian of Camp or Department monies and property, to keep accurate financial records and to prepare periodic financial reports. The Treasurer shall hold funds of the Camp and have charge of its property not otherwise provided for. He shall pay out the said funds upon requisition in due form from the Secretary, approved by the Commander; shall keep the accounts between the Camp and its Brothers; shall collect all monies due the Camp, giving in all cases receipts therefore; shall notify all Brothers in arrears; and at the next stated meeting after the close of each month, render to the Camp a detailed account of the transactions of the month, and the money balance in his hands. He shall make an annual report to the Department Secretary, and shall perform all such other duties as pertain to his Office.

The activities of the Camp Treasurer should include:

- (a) Keeping the financial records of the Camp.**
- (b) Preparing a financial report to be presented at each Camp meeting.**
- (c) Preparing and sending dues notices to Brothers at least one month before the end of the Camp's fiscal year.**
- (d) Issuing membership cards to Brothers upon receipt of annual dues.**
- (e) Serving as custodian of Camp property not otherwise provided for.**

- (f) Maintaining a bank account in the Camp's name for Camp funds.**
- (g) Preparing a report on the financial condition of the Camp for review and approval by the Camp Council.**
- (h) In conjunction with the Camp Secretary, prepare a "Camp Annual Report" (Form 27) with check for per capita and application fees, to be submitted to the Department Secretary on or before April 30 of each year.**
- (i) Preparing and submitting a "Life Member Reimbursement Form" (for those Brothers whose Life Member number is lower than 600) before March 31 of each year. Notifying a Brother who is in arrears for dues or fines, no later than March 31 of each year.**
- (j) Preparing and transmitting any and all financial reports as may be required by applicable state law.**

WHAT DOES THE ABOVE ALL MEAN?

“The purpose of the office of Treasurer is to serve as custodian of Camp or Department monies and property, to keep accurate financial records and to prepare periodic financial reports.”

This first sentence is assigning the main job duties to the Treasurer that may be further defined later in this section of the C&R.

As “custodian of monies,” the Treasurer takes on the duties associated with the Camp bank account(s), and Camp cash receipts and expenditures.

As “custodian of property,” the Treasurer should keep an Inventory of the property of the Camp, who has it and where it is located. At least once per fiscal year, the Treasurer should confirm that the Camp’s

property is still held by the same individual and that its location has not changed.

“To keep accurate financial records” means to record the Camp’s financial transactions in writing in a timely manner (such as the register to a checkbook) and receive and reconcile the bank statements to such checkbook monthly.

“To prepare periodic financial reports” means to produce the reports needed by the Camp to conduct business and for all the Camp Officers to be apprised of the ongoing financial fitness of the Camp.

“The Treasurer shall hold funds of the Camp and have charge of its property not otherwise provided for. He shall pay out the said funds upon requisition in due form from the Secretary, approved by the Commander; shall keep the accounts between the Camp and its Brothers; shall collect all monies due the Camp, giving in all cases receipts therefore; shall notify all Brothers in arrears; . . . “

The first sentence of this section refers to the duties of the Treasurer toward monies not yet deposited or for property not held by others.

The first section of the second sentence states the duty of the Treasurer to pay bills (invoices) that the Secretary certifies to him as due and payable and that have been approved for payment by the Commander.

The second section of the second sentence is the duty of the Treasurer to collect dues from Camp members, keep records of the payment of dues, always giving receipts, and notifying Brothers who are in arrears of the payment of dues in a timely manner such that membership in the Camp is not put in jeopardy.

“. . . and at the next stated meeting after the close of each month, render to the Camp a detailed account of the transactions of the month, and the money balance in his hands. He shall make an annual report to the Department Secretary, and shall perform all such other duties as pertain to his Office.”

Many new (and even some old and experienced) Treasurers sometimes wonder exactly what are ongoing reporting responsibilities of the Treasurer. First is the monthly report or the report from meeting to meeting.

Let’s define what a report should look like. In most Camps, the information for the Camp’s financial report is going to come directly from the Camp’s checkbook. If a Camp is very small, the report may simply be a copy of the bank statement with the bank account number and any other ID information blacked out.

If a Camp meets monthly, then the report would start with the bank balance at the end of the preceding month, which becomes the beginning balance, list cash receipts or deposits incurred during the current month, total and add them to the beginning balance. Then list cash disbursements or checks written since the last report, total and subtract to produce an ending balance for the current month’s report.

If the Camp has many transactions, it may want to put those transactions into categories, such as Application Fees, Membership Dues, Donations, Event Proceeds (which might include sales of licensed SUCVW merchandise), etc. to represent the Cash Deposits and New Members Dues to Department and National, Per Capita Payments, purchases of Camp Property, purchases from the National QM store, purchases to support Camp Events, etc.

A report could look something like the following:

Monthly Financial Report

Camp No. 999, SUVCW

January 20XX

Beginning Balance		\$1,101.15
Cash Received:		
Membership Dues	\$40.00	
Application Fees	10.00	
Donations	50.00	
Sales of Medals	<u>40.00</u>	
Total Cash Received	<u>\$140.00</u>	
Sub-total		\$ 961.15
Checks Written:		
To Department	\$ 0.00	
Purchase of property	25.00	
Purchases from National QM	22.50	
Total Checks Written		<u>47.50</u>
Ending Balance		\$ 913.65

If you use a monthly report format, you simply add together the twelve months to create a report for the year no matter if your camp uses a fiscal year (ends June 30) or a calendar year (ends December 31). And a clear easy report makes it easy for the Treasurer to communicate the ongoing financial health of the Camp to the Camp Commander and to the Camp Council.

Also review the “Activities of the Camp Treasurer” as laid out in Chapter 1, Article 8, Section 5 (a) through (j) of the C&R.

Item (h) calls for the Camp Treasurer to complete the relevant section(s) of the Camp Annual Report (Form 27) – see a copy of this report on a following page of this manual.

FORM 27 – THE CAMP ANNUAL REPORT

Form 27 is meant to be a collaborative effort of the Camp Secretary and the Camp Treasurer if the Camp has separated those positions or the primary responsibility of the Secretary/Treasurer when the two positions are combined. The report is reviewed by the Camp Commander who also attests to its accuracy and who has the ultimate responsibility for its timeliness and accuracy. Form 27 must be received by the Department Secretary at or before April 30 each year. Have it ready early. Help your Department Officers do their jobs too!

Under the section entitled “Camp Finance Report,” it is important that the “Balance on Hand Shown on Last Camp Annual Report” indeed match the previous report and that the balance reported includes all accounts that the Camp may have. Every bank account used by the Camp must be listed – use additional sheets if needed.

The Camp EIN number should match the number assigned by the IRS when the Camp began operation or, in certain special circumstances, when it reorganized. The EIN should always match that used when filing Form 990, usually Form 990N. The report also asks for the date the camp last filed the Form 990 with the IRS. The answer should be

accurate – the Camp Treasurer is certifying that the information reported is true and accurate. As is the Camp Commander when he signs for the entire report. Take this responsibility very seriously.

If you have questions – ask. First, consult Camp members who may have held the Treasurer’s position in the past. Next, ask your Department Treasurer. And the National Treasurer (treasurer@suvcw.org) is always a resource.

BROTHERS EXEMPT FROM NATIONAL PER CAPITA

20. National Life Members <i>(List on page 4)</i>	_____	23. National Honorary Members <i>(Only Nationally approved Honorary Members are exempt - List on page 4)</i>	_____
21. Real Sons <i>(List on page 4)</i>	_____	24. Juniors <i>(List on page 4)</i>	_____ 0
22. Brothers in War Zone <i>(Attach letter with name, rank, branch, & location of service - List on page 4)</i>	_____	25. Junior Associates <i>(List on page 4)</i>	_____ 0
26. TOTAL EXEMPTIONS <i>(Add lines 20 thru 25)</i>			0

PAYMENT CALCULATIONS

NATIONAL PER CAPITA

27. Total Number of Brothers in Good Standing <i>(Enter number from Line 16)</i>	_____	0
28. Total Number of Brothers Exempt from National Per Capita <i>(Enter number from Line 26)</i>	_____	0
29. Total Number of New Brothers with Applications Previously Submitted Between Jan 1 and Mar 31	_____	
30. Total Number of Brothers Subject to National Per Capita <i>(Subtract Lines 28 and 29 from Line 27)</i>	_____	0
31. National Per Capita Rate	\$23.00	
32. Multiply Line 30 times Line 31. This is the total National Per Capita due		\$ _____ 0

NEW BROTHERS APPLICATION FEES

33. New Brothers since Last Annual Report <i>(Enter Total for Line 3)</i>	_____	0
34. Enter Number of Brothers for whom Applications Were Previously Submitted	_____	
35. Amount for Individual Application Fees	\$5.00	
36. Subtract Line 34 from Line 33 and multiply times Line 35. This is the total of application fees due		\$ _____ 0

REINSTATED BROTHERS SUBJECT TO REINSTATEMENT FEE

37. Reinstated Brothers since Last Annual Report <i>(Enter Total for Line 6)</i>	_____	0
38. Enter Number of Brothers Whose Reinstatements Were Previously Submitted	_____	
39. Amount for Reinstatement Fees	\$10.00	
40. Subtract Line 38 from Line 37 and multiply times Line 39. This is the total reinstatement fees due		\$ _____ 0

BROTHERS SUBJECT TO INTERNATIONAL MAILING ADDRESS SURCHARGE

41. Enter Number of Brothers who have an International Mailing Address	_____	
42. Amount of Surcharge for International Mailing Address	\$5.00	
43. Multiply Line 41 times Line 42. This is the total surcharge due		\$ _____ 0

DEPARTMENT PER CAPITA

44. Brothers Subject to Department Per Capita	_____	
45. Total Number of New Brothers with Applications Previously Submitted Between Jan 1 and Mar 31	_____	
46. Total Number of Brothers Subject to Department Per Capita <i>(Subtract Lines 45 from Line 44)</i>	_____	0
47. Enter Amount of Department Per Capita, if applicable	\$ _____	
48. Multiply Line 46 times Line 47. This is the amount of Department Per Capita due		\$ _____ 0
49. TOTAL AMOUNT DUE TO DEPARTMENT		\$ _____ 0

CAMP SECRETARY CERTIFICATION

Signature of Secretary _____ Printed Name _____

CAMP FINANCE REPORT

50. Balance on Hand Shown on Last Camp Annual Report	\$ _____
51. Balance on Hand as of This Camp Annual Report	\$ _____
52. Camp EIN Number _____	53. Date Camp last filed IRS 990 with IRS _____

NOTE: In accordance with National Regulations Chapter I, Article I, Section 4, all monies and other assets, including real and personal property held by Camps, Departments, and the National Organization are charged with a trust for the purposes for which the Order exists, as stated in its Act of Incorporation. Any use of said monies or other assets, including real and personal property for other purposes is illegal and shall subject the parties concerned to disciplinary action under Article VI of Chapter V and may be restrained by the Commander-in-Chief or Council of Administration to the extent, if necessary, of taking possession and control of the money or assets involved. For record keeping, please furnish the names of each financial institution in which Camp funds are being held. Please attach a separate sheet if necessary.

54. The following is a listing of all financial institutions in which camp funds are being held:

	<i>Bank/Financial Institution Name</i>	<i>Street Address</i>	<i>City/State</i>
54a.	_____	_____	_____
54b.	_____	_____	_____
54c.	_____	_____	_____
54d.	_____	_____	_____

Attach Additional Sheet, if Necessary

CAMP TREASURER CERTIFICATION

Signature of Treasurer _____ Printed Name _____

LIFE MEMBER REIMBURSEMENT

Another responsibility of the Camp Treasurer is to send to the National Treasurer the current version of Form 10 (Life Member Reimbursement Form) no later than March 31st of each year. This form may be submitted beginning January 1st of each year and it is encouraged that the Camp Treasurer submit the form as early as possible. The current version of Form 10 is located on the national web site with other forms in the Governance section. All Forms are continuously being updated, and the web site should always be checked for the most recent form.

Included on Form 10 should only be Life Members who became Life Members prior to the creation of the 2001 Life Member Program or the current 2012 Life Member Program or any other Life Member Program after 2001 (life member numbers under 600). There is no reimbursement to Camps for Life Members who became Life Members after 2001.

Be certain that all the information requested on Form 10 is provided and that the information is accurate. Also, be certain that an accurate address is provided so that there are no delays in the receipt of the check by the Camp. Although, in most instances, the checks are quite small, deposit them promptly so that they may clear the National Permanent Fund account from which they are written.

Checks will not be written for Forms received after the deadline of March 31st.

TAX ISSUES

The Constitution and Regulations address camp responsibilities for basic tax issues and filings as follows:

CHAPTER 1, ARTICLE 1, SECTION 17.

Any camp which fails to file its U.S. Internal Revenue Service (“IRS”) Form 990 appropriate to the individual tax circumstances of the camp (usually Form 990N), or any future replacements for Form 990N or other Form 990, by the due date specified by the IRS shall be automatically suspended. The Department Commander shall issue a Department Order noting the automatic suspension. A camp may be reinstated by providing proof of filing the appropriate Form 990. Proof shall constitute a receipt of the Form 990 by the IRS, usually an online confirmation for the Form 990N.

SECTION 18.

Any camp which has had its tax-exempt status revoked by the IRS shall be automatically suspended. The Department Commander shall issue a Department Order noting the automatic suspension. A camp may be reinstated by providing proof of the reinstatement of its tax-exempt status under section 501 (c) 3 of the Internal Revenue Code.

SECTION 19.

A camp that has had its tax-exempt status revoked by the IRS for failing to file its Form 990 for three consecutive years cannot be part of the Group Exemption of the National Organization. Its tax status must be standalone.

(Camps that fall within Section 19 and that do not meet the requirements of Section 20 should have the resources to file for reinstatement. If a Camp has had its tax-exempt status automatically revoked and wishes to have that status reinstated, it must file an

application for exemption and pay the appropriate user fee to the IRS even if it was not required to apply for exempt status initially. Camps should file Form 1023 to restore their tax-exempt status under 501 (c) 3 of the Internal Revenue Code.

In most cases, the effective date of a reinstated exemption will be the date that the Camp's new exemption application was submitted to the IRS. However, a Camp may choose to request that reinstatement be retroactive to the effective date of revocation if there is a reason that it needs to be able to document no gap in its tax-exempt status.

The IRS will grant retroactive reinstatement of exemption under certain limited circumstances.

The IRS also will include the reinstatement date in the next update of the Exempt Organizations Select Check database. This is a tool that is available to check the status of tax-exempt organizations' filings and whether tax status has been revoked and subsequently reinstated. The use of this tool is further explained in Chapter Four: The Department Treasurer.

SECTION 20.

Camps which had their tax-exempt status revoked for failure to file its Form 990N for three consecutive years prior to July 1, 2017 may apply to the Department for reinstatement, at the discretion of the Department Commander, as an unincorporated association without formal tax status if: (1) its assets are less than \$1,000 and (2) its revenues are less than \$5,000 annually. Any camp operating as an unincorporated association without formal tax status shall take no action that jeopardizes the tax-exempt status of the Department or the National Organization. If a camp's tax status has negatively impacted the tax-exempt status of the Department or the National Organization,

the camp will be suspended until it has taken such action as to prove that it has remedied the problem. Such proof shall be an official communication from the IRS resolving the matter.

(Small Camps who fall into this category, unincorporated associations without formal tax status, are in all aspects, continuing to operate as a not-for-profit entity. The Camp's bylaws should clearly state that the purpose of the Camp is for not-for-profit fraternal, educational and charitable purposes. The Camp should be able to document that its activities from year to year are not generating a profit. One "proof" of the Camp's non-profit status is the balance on hand on its annual report (Form 27) that is about the same every year give or take a small range up or down. For instance, if the Camp's cash balance runs about \$500 year to year, then if it runs somewhere between \$400 and \$600, the Camp has a very good case that it is not making a profit. Another "proof" is the documentation of its charitable activities within its annual Patriotic Instructor's Report. An important reason why this report should be complete and well documented each year. And not just for small camps!

It is not uncommon for small unincorporated associations in a variety of settings to operate under similar circumstances. If the Camp should grow to the point that it maintains, on a routine basis, a cash balance of more than \$1,000, it should immediately apply to the IRS for a determination of its tax-exempt status – that is, file a Form 1023 and pay the relevant user fee. At that time, the Camp should work with the Department Treasurer and the National Treasurer to complete the process in a way that best protects the overall tax status of the SUVCW.)

SECTION 21.

A camp choosing to operate as an unincorporated association without formal tax status may re-apply for tax-exempt status under section 501(c)3 at a future date as part of the National Group exemption Group No. 0429. If tax-exempt status is restored, the camp must meet all filing requirements for the appropriate Form 990.

SECTION 22.

A camp must have an active Tax ID number with the IRS (EIN) regardless of whether it has a bank account. Not having a bank account does not relieve the camp from its responsibility to file the appropriate Form 990 and to maintain tax status.

SECTION 23.

It is the responsibility of the camp's Treasurer to file the appropriate Form 990 on time each year. It is the ultimate responsibility of the camp's Commander that the appropriate Form 990 has been filed.

FILING THE FORM 990N:

Small not-for-profit organizations, like almost all subordinate units in the SUVCW, must file a Form 990N tax return with the IRS. Following are some important reminders when filing the Camp Form 990N:

- **All Form 990Ns must be filed online. There are no paper transactions.**
- **The SUVCW has had a Group Exemption under 501(c)3 of the tax code. The National Organization does file an annual update to the Group Exemption number 0429.**
- **The National Organization does NOT file a Form 990 Group Return.**
- **Therefore, every Camp must file a 990N every year.**
- **A User Guide is available online at <https://www.irs.gov/pub/irs-pdf/p5248.pdf>. If the link doesn't work, search the for IRS Form 5248. The guide is written in easy to understand language and can be a useful tool.**
- **When filing the Form 990N, you should not use a networked computer, a tablet or a smartphone. A simple computer (usually the one most people have at home) is best. And do not have multiple browsers open when you file.**
- **You cannot file the online Form 990N until after your Camp's tax year ends. Your Camp's tax year is what you reported when you**

obtained your EIN. For Camps in the SUVCW, this year end is either June 30th or December 31st.

- **The due date for Form 990N is the 15th day of the 5th month following the Camp's tax year end. So, if a Camp's tax year end is June 30th, the due date is November 15th. If a Camp's tax year end is December 31st, the due date is May 15th.**
- **However, there is nothing to prevent a Camp Treasurer from filing the Form 990N early, even the first day after the tax year ends. Good practice would be that the Camp Treasurer file the Form 990 in the first month following the Camp's tax year end unless there is some true special circumstance that prevents such action.**
- **In no event should the Form 990N ever be filed late. Filing the Form 990N is one of the most important responsibilities of the Treasurer.**
- **If the Treasurer is having difficulty completing it, he should seek out help at the earliest moment. There is nothing wrong in asking for help. There can be great harm in letting a minor problem become a big problem by not asking for help.**

Form 990-N is easy to complete. All you need is the following information:

- **The Camp's legal name-** This is the name that was used to obtain the Camp's EIN and the name used on prior Form 990s.
- **Any other names your Camp may use-** In this section, you may put Sons of Union Veterans of the Civil War.
- **Organization's mailing address-** The mailing address is the current mailing address used by the Camp. If the Camp's mailing address has changed since it filed its previous return, simply

enter the new mailing address. It is extremely important that the Camp's mailing address is kept current and that it is the address of the person to whom all information from the IRS should be sent.

- **Organization's website address (if you have one)- The answer is the Camp's website address. If the Camp does not have a website, then this question should be left blank. Do not use the Department or National website address to answer the question.**
- **Organization's employer identification number (EIN)- Self-explanatory. The EIN is a unique number that identifies the Camp to the Internal Revenue Service. Your Camp would have acquired an EIN at the time it was formed, or in unusual circumstances, when it was reorganized. Do not attempt to use the EIN of another Camp, Department, or the National Organization when filing your Form 990N.**
- **Name and address of a principal officer of your organization- This is usually the Treasurer or Secretary-Treasurer of the Camp.**
- **Organization's annual tax year- A tax year is 12 consecutive months that can be either calendar year or fiscal year and should be specified in the Camp's by-laws. As previously reviewed, Camps have tax years that end on either June 30th (fiscal year) or December 31st (calendar year). The Camp's tax year was established when it applied for and received its EIN.**
- **Answers to the following questions:**
 - **Are your gross receipts still normally \$50,000 or less?**
 - **Has your organization terminated or gone out of business?**

CHAPTER THREE

Forming a New Camp

When forming a new camp, the organizers should follow the instructions given in Form 50, SONS OF UNION VETERANS OF THE CIVIL WAR INSTRUCTIONS FOR FORMING A CAMP. The information below is intended to supplement those instructions with more detail on the financial steps required.

Once the Commander-in-Chief has assigned a Date of Rank and after the National Secretary has notified the Department Secretary and the new Camp Commander that the Camp Charter has been approved, the new Camp has several fiduciary responsibilities to complete. The camp is now an official Camp of the SUVCW.

The Commander of the new Camp should communicate with the person who is acting as Treasurer of the new Camp these events because he must assure that the following actions have been taken.

OBTAIN AN EIN NUMBER

Note: The following information is only applicable for Camps located in the United States or United States Territories. Camps in any other locations must adhere to the laws of their nation and may not apply for an EIN, nor do they need an EIN.

The new Camp should have an EIN number and a bank account. Before opening a bank account, the Camp must have an EIN (Employer Identification Number).

The EIN should be obtained online:

<https://www.irs.gov/businesses/small-businesses-self-employed/apply-for-an-employer-identification-number-ein-online>

The person who is completing the application for a Camp EIN (usually the Treasurer or Secretary-Treasurer) must have a valid Taxpayer Identification Number (SSN-Social Security Number, ITIN, or EIN). The application for the EIN will ask for the responsible party's name, address and tax ID.

It is important to understand the application because you must complete the online application in one session – there is no provision to save information and return to an incomplete application later.

Sessions expire after 15 minutes of inactivity and if your session expires, you will have to start over from the beginning.

After you complete the application and all validations are complete, you will get the Camp's EIN immediately online. Be patient. You must wait for the validations to complete. Then, you must download, save and print your EIN confirmation notice to assure that you have it for the Camp's permanent records.

You may apply for an EIN Monday through Friday, 7 am to 10 pm. The system is down outside this time frame.

The online EIN application is loaded with helpful built-in tips and additional information that help explain each line item being completed. Be certain to make use of these tools if you have any questions. Using these tools will significantly reduce the likelihood of timing out and having to start over.

When completing the online application, there are a few things to remember.

- **The name of the camp should not include “Sons of Union Veterans of the Civil War” or “SUVCW”. The name of the Camp is what is on the Camp Charter – something like “Major General Ulysses S. Grant Camp No. 1.” Using anything other than the Camp's name can create confusion within the IRS system as it also identifies taxpayers by the first several characters of their names.**

- **The type of organization is not-for-profit other. When describing other, write group exemption No. 0429.**

From a legal standpoint, almost all new Camps are unincorporated not-for-profit associations. Always check for any state and/or local requirements that must be met.

The purpose for our Camps as unincorporated not-for-profit associations is to benefit the public by carrying out the mission of the SUVCW by providing education, public service and preserving history.

None of our Camps are organized to earn a profit. Any “excess” funds from one year simply carry forward to the following year to be spent on the same purposes benefiting the public.

FILING THE FIRST FORM 990N

ALL CAMPS must register at IRS.gov prior to filing their first Form 990-N. This is a one-time registration; you won't be asked to register again when you file the following year. You will need an e-mail address to complete the registration process.

Once registered, you file Form 990N in the same way described earlier in this manual in Chapter Two: The Camp Treasurer.

SUVCW ISSUES FOR THE NEW CAMP

The new Camp is an official new Camp when it receives a Date of Rank. Even if the Camp requests dues from its membership beforehand, per capita fees are calculated from the Date of Rank and paid from the Camp to the Department and from the Department to National from that date forward.

The Camp should complete and submit a Camp Annual Report (Form 27) within 90 days of the Camp's Date of Rank. With that report the camp will pay the appropriate per capita dues and attach two copies of each Form 3 for all new members with any required supporting documentation. The Department will report the membership to National using either the Department Annual Report (Form 35), if in the first

quarter, or simply forward the form if after the first quarter.

As soon as is practical, but no more than 90 days after the Date of Rank, the new Camp should prepare a set of permanent By-Laws, as outlined in National Regulations, Chapter I, Article IX, Sections 1 and 2. When approved by the Camp, the By-Laws should be submitted to the Department Secretary for the review and approval of the Department Commander. The Treasurer should take an active role in the compilation of the Camp By-Laws.

Once ALL the above steps have been completed, the Camp is set up to follow the regular National and Department calendars of due dates and the submittal of required information on an on-going basis.

CHAPTER FOUR

The Department Treasurer

- **The Constitution and Regulations defines the responsibilities of the Department Treasurer as follows:**

CHAPTER 2, ARTICLE 7, SECTION 5.

Treasurer: The purpose of the office of Treasurer is to serve as custodian of Department monies and property, to keep accurate financial records and to prepare periodic financial reports.

(a) The Department Treasurer shall hold the funds of the Department and pay out the same upon requisition in due form from the Department Secretary approved by the Department Commander.

(b) The Department Treasurer shall have charge of all property of the Department not otherwise provided for, shall keep a true and correct account of all receipts and expenditures, and perform such other duties as may pertain to his office.

(An inventory should be kept of all department property with approximate values and locations with caretaker names. While such property is usually limited, it can be quite valuable and difficult to replace should it be lost or stolen. Departments usually do an excellent job of keeping track of cash. It's just as important to keep track of other assets. If any are of great value, the Department should consider acquiring insurance on them. And the Inventory should be updated at least once per year to assure that the items are where they are recorded.)

(c) The Department Treasurer shall keep financial records of the Department.

(d) The Department Treasurer shall prepare an annual financial report for review and approval by the Department Council at the annual Department Encampment.

(e) The Department Treasurer shall assure that Camp related report forms that require input from a Camp Treasurer are made available to those who do not have access to the National Website.

(f) The Department Treasurer shall maintain a bank account in the Department's name for Department funds.

(g) The Department Treasurer shall prepare and transmit any and all financial reports as may be required by applicable state law.

(h) The Department Treasurer shall submit required reports to the National Organization, as listed in Article III, Section 2.

- **The tax reporting responsibilities of the Department Treasurer are found earlier in the C&R as follows:**

CHAPTER 2, ARTICLE 1.

SECTION 15: Any department which fails to file its United States Internal Revenue Service (“IRS”) Form 990 appropriate to the individual tax circumstances of the department (usually Form 990N), or any future replacements for Form 990 or Form 990N, by the due date specified by the IRS shall be automatically suspended. The Commander-in-Chief shall issue an Order noting the automatic suspension. A department may be reinstated by providing proof of filing the appropriate Form 990. Proof shall constitute a receipt of the Form 990 by the IRS, usually an online confirmation for the Form 990N.

SECTION 16. Any department which has had its tax-exempt status revoked by the IRS shall be automatically suspended. The Commander-in-Chief shall issue an Order noting the automatic suspension. A department may be reinstated by providing proof of the

reinstatement of its tax-exempt status under section 501 (c) 3.

SECTION 17. A department that has had its tax-exempt status revoked by the IRS for failing to file its Form 990 for three consecutive years cannot be part of the Group Exemption of the National Organization. Its tax-exempt status must be standalone. Being outside the Group Exemption does not in any way relieve the department from its responsibility to file the appropriate Form 990 on time each year.

SECTION 18. No department may operate as a taxable entity.

SECTION 19. A department must have an active Tax ID number with the IRS (EIN) regardless of whether it has a bank account. Not having a bank account does not relieve the department from its responsibility to file the appropriate Form 990 and to maintain its tax-exempt status.

SECTION 20. It is the responsibility of the department's Treasurer to file the appropriate Form 990 on time each year. It is the ultimate responsibility of the department's Commander that the appropriate Form 990 has been filed.

SECTION 21. It is the responsibility of the department's Treasurer to assure that each camp in the department has filed its Form 990 on time. It is the ultimate responsibility of the department's Commander that all camps within the department are in good standing with the IRS, any Form 990 has been filed on time and that no camp has had its tax-exempt status revoked.

(See the section entitled "Using the EO Select Check Tool" later in this chapter. This provides the Department Treasurer an easy mechanism to check the status of all Camps within the Department relative to the filing of Camp Form 990Ns and any revocations of tax-exempt status.)

DIFFERENCES BETWEEN THE JOB OF THE CAMP TREASURER AND THAT OF THE DEPARTMENT TREASURER

The duties of the Department Treasurer as defined in the C&R laid out in items (a) through (h) above, read much the same as the duties of the Camp Treasurer. The differences lie mainly in the size and complexity of the organization and the reports and monies that must be collected from the Camps and transmitted to the National Headquarters – the Executive Director - who then forwards pertinent information and monies to the National Treasurer for deposit into the SUVCW's bank accounts and to make documented entries into the books and records of the National Organization.

In most Departments, there are only one, or at most, two meetings during the year. Usually, there is only the Annual Encampment. It is still incumbent upon the Department Treasurer to communicate the financial status of the Department to those making decisions, especially the Department Commander. The Department Commander approves bills for payment which are then delivered to the Treasurer for payment by the Department Secretary.

Therefore, the best practice recommendation is that the Department Treasurer prepare a Monthly Report of Receipts and Expenditures for the Department Commander, preferably shared with all Department officers, or at least the members of the Department Council. If the Department publishes a newsletter, a summary of the financial health of the Department should be shared that at least includes the Department's current cash balance.

At the Annual Encampment, the Department Treasurer should provide, in an easy to understand format, the financial transactions that have occurred since the last Encampment, thus always taking the ending balance from the last Encampment to the beginning balance of the next Encampment. The report should be made available to the members of the Department Council prior to the Encampment so that they may formulate any questions for the Treasurer.

The larger and more complex a Department becomes, the greater the responsibility of the Department Treasurer to produce more reporting in compliance with its not-for-profit status and state and local laws.

If a Department has annual revenues >\$50,000, they cannot file Form 990N. Dependent on the amount of annual revenues, asset size and other issues, it must file either Form 990-EZ or the full Form 990.

This handbook is not meant to address the issues facing the Treasurers of very large Departments. Usually, large departments have its financial reporting audited by an independent CPA and contract with tax advisers.

REPORTING RESPONSIBILITIES

Form 990N

It is the responsibility of the Department Treasurer to file the annual Form 990 (Form 990N for almost all Departments in the SUVCW). Instructions for filing the Form 990N may be found in Chapter Two: The Camp Treasurer of this manual.

Form 30s

The Department Treasurer must work closely with the Department Secretary in all reporting. In most Departments, there is one Department Secretary/Treasurer rather than having the two jobs divided.

On a regular basis, the Department Secretary receives Camp Status Reports (Form 30s) from the Camps in the Department that communicate changes in membership, including new members. Funds received from the Camps are deposited into the Department's account. The Department then sends a copy of all Form 30s received in a timely manner to the Executive Director at National Headquarters with the appropriate payment. The Executive Director then forwards this

information and payment to the National Treasurer for deposit and entry into the National Organization's books and records.

Form 11 – EIN Reporting Form

On or before March 15th of each year, the Department Treasurer must submit to the National Treasurer Form 11 – EIN Reporting Form. It is critical that the information on this form be correct. On this form, the Department Treasurer is responsible to report the EIN number for each Camp or other subordinate unit within the Department as well as the most current contact information for that Camp.

Why is the Form 11 so important?

The information gathered on Form 11 is used to update the Group Exemption held by the National Organization. Because of the due date dictated to the National Organization as to when this information must be submitted to the IRS in the proper format; it is critical that, Form 11 be in the hands of the National Treasurer as early as possible, preferably prior to the March 15th deadline.

Once received, the National Treasurer compiles the data into one Excel file. The National Treasurer compares the information with that listed by the IRS in April of the previous year. The National Treasurer then reports all changes made in the current year to the IRS.

Camps (and other units), EINs and contact information are added to and/or deleted from the National Organization's Group Exemption by way of this process. This is how the National Organization adds a new Camp (or other unit) to the Group Exemption or removes a Camp that has surrendered its Charter and is no longer operating.

The Group Exemption was granted November 2020 and includes Departments, Camps, Military Districts, and SVR units in good standing with the IRS. We must now assure that any subordinate unit reported on Form 11, and in our reporting to the IRS, is in good standing. And, if not in good standing, not be included on Form 11, nor on our reporting to the IRS.

The Department Treasurer should discuss the status of any Camp not in good standing with the National Treasurer at the earliest possible opportunity.

Using the EO Select Check Tool

Checking whether a Camp has filed its Form 990N or if it has had its tax-exempt status revoked and either reinstated or not reinstated is a relatively straightforward process. And this process meets the requirements laid out in Chapter II, Article 1, Section 21 of the C & R for the Department Treasurer and Department Commander.

The IRS provides a tool called EO (Exempt Organizations) Select Check. Information about this tool may be found at:

<https://apps.irs.gov/app/eos/>

You will then see a listing of all the 990N filings for that Camp since 2007. From this listing, you can easily see gaps and determine if the Camp is current with their Form 990N filings. One thing to note, tax years are enumerated by the date they begin and not by the date they end. So, a Camp that files on a fiscal year basis (June 30th), will be current but show the prior year.

If you have been working with a Camp on reinstatement, this is also the online site you may look to confirm such reinstatement. However, note that it does takes some time for the IRS to post reinstatement information to this database.

It is possible that a Camp was reinstated and such reinstatement is not shown. In these cases, it may be necessary to go to the Camp Treasurer and request a copy of the Camp's documentation from the IRS confirming its reinstatement of tax-exempt status.

The following is from IRS Pub 4573 that explains how our group 501(c)(3) works:

What are the filing requirements for organizations that hold group exemptions?

A group exemption letter does not change the filing requirements for exempt organizations. The central organization and the subordinates must file Forms 990, Return of Organization Exempt from Income Tax, (or 990-EZ, Short-Form Return of Organization Exempt from Income Tax), unless they meet a filing exception. If the central organization is required to file an annual return, it must file its own separate return but may also file a group return on behalf of some or all its subordinates. To see how the subordinates are reported on a group return, please consult the form instructions.

How do I verify that an organization is included as a subordinate in a group exemption ruling?

The central organization that holds a group exemption (rather than the IRS) determines which organizations are included as subordinates under its group exemption ruling. Therefore, you can verify that an organization is a subordinate under a group exemption ruling by consulting the official subordinate listing approved by the central organization or by contacting the central organization directly. You may use either method to verify that an organization is a subordinate under a group exemption ruling.

How do donors verify that contributions are deductible under Section 170 with respect to a subordinate organization in a Section 501(c)(3) group exemption ruling?

Subordinate units that are included in group exemption letters are not listed separately in Tax Exempt Organization Search (Publication 78 data). Donors should obtain a copy of the group exemption letter from the central organization. The central organization's listing in Tax Exempt Organization Search will indicate that contributions to its subordinate organizations covered by the group exemption ruling are also deductible, even

though most subordinate organizations are not separately listed in Tax Exempt Organization Search or on the Exempt Organizations Business Master File. Donors should then verify with the central organization, by either of the methods indicated above, whether the particular subordinate is included in the central organization's group ruling. The subordinate organization need not itself be listed in Tax Exempt Organization Search or on the EO Business Master File. Donors may rely on central organization verification about deductibility of contributions to subordinates covered in a Section 501(c)(3) group exemption ruling.

Life Membership Reimbursement Form

The Department Treasurer is responsible to submit to the National Treasurer a Life Membership Reimbursement Form for Department Members at Large that meet the Life Member requirements for payment. Go back to the instructions provided in Chapter Two: The Camp Treasurer for more detail. The form is filed no earlier than January 1st and no later than March 31st of each year. No payments will be made on forms received after the deadline of March 31st.

Form 35: The Department Annual Report

The Department Treasurer provides key input into Form 35 or the Department Annual Report. Its completion is a collaborative effort of the Department Secretary and the Department Treasurer when those jobs are held by different individuals. In most departments, the jobs are held by one person and the form is thus completed by the Secretary/Treasurer.

The financial reporting is found on page 2 of the report including the calculation of the total amount due to the National Organization, the Department Finance Report, and the Department Treasurer Certification.

It is imperative that the beginning balance, or the balance on hand shown on the last department report, does match that of the last

report. And, the ending balance, or balance on hand shown on this Department annual report, should include all cash in all accounts that are held in the Department's name and EIN.

In the Department Finance Report, two pieces of tax information are requested: the Department's EIN and the date of the Department's last filing of Form 990. By signing and certifying the report, the Department Treasurer is attesting to the accuracy of this information. The Department Commander's signature also serves as an attestation to the accuracy of the information provided in the report. Please take these responsibilities seriously.

Department of _____

Annual Report for 20 _____

BROTHERS EXEMPT FROM NATIONAL PER CAPITA

- 22. National Life Members *(List on page 4)* _____
- 23. Real Sons *(List on page 4)* _____
- 24. Brothers in War Zone _____
(Attach letter with name, rank, branch, & location of service - List on page 4)
- 25. National Honorary Members _____
(Only Nationally approved Honorary Members are exempt - List on page 4)
- 26. Juniors *(List on page 4)* _____
- 27. Junior Associates *(List on page 4)* _____

28. TOTAL EXEMPTIONS *(Add lines 22 thru 27)* _____

PAYMENT CALCULATIONS

NATIONAL PER CAPITA

- 29. Total Number of Brothers in Good Standing *(Enter number from Line 17)* _____
- 30. Total Number of Brothers Exempt from National Per Capita *(Enter number from Line 28)* _____
- 31. Total Number of New Brothers with Applications Previously Submitted Between Jan 1 and Mar 31 _____
- 32. Total Number of Brothers subject to National Per Capita *(Subtract Lines 30 and 31 from Line 29)* _____
- 33. National Per Capita Rate \$23.00
- 34. Multiply Line 32 times Line 33. This is the total National Per Capita due. \$ _____

NEW BROTHERS APPLICATION FEES

- 35. New Brothers since Last Annual Report *(Enter Total for Line 4)* _____
- 36. Enter Number of Brothers for whom Applications Were Previously Submitted _____
- 37. Amount for Individual Application Fees \$5.00
- 38. Subtract Line 36 from Line 35 and multiply times Line 37. This is the total of application fees due \$ _____

REINSTATED BROTHERS SUBJECT TO REINSTATEMENT FEE

- 39. Reinstated Brothers since Last Annual Report *(Enter Total for Line 7)* _____
- 40. Enter Number of Brothers Whose Reinstatements Were Previously Submitted _____
- 41. Amount for Reinstatement Fees \$10.00
- 42. Subtract Line 40 from Line 39 and multiply times Line 41. This is the total reinstatement fees due \$ _____

BROTHERS SUBJECT TO INTERNATIONAL MAILING ADDRESS SURCHARGE

- 43. Enter Number of Brothers who have an International Mailing Address _____
- 44. Amount of Surcharge for International Mailing Address \$5.00
- 45. Multiply Line 43 times Line 44. This is the total surcharge due \$ _____

AMOUNT DUE TO NATIONAL ORGANIZATION

46. TOTAL AMOUNT DUE *(Add Line 34 + Line 38 + Line 42 + Line 45)* \$ _____

DEPARTMENT SECRETARY CERTIFICATION

Signature of Secretary _____ Printed Name _____

DEPARTMENT FINANCE REPORT

- 47. Balance on Hand Shown on Last Department Annual Report \$ _____
- 48. Balance on Hand as of This Department Annual Report \$ _____
- 49. Department EIN Number _____
- 50. Date Department last filed IRS 990N with IRS _____

NOTE: In accordance with National Regulations Chapter I, Article I, Section 4, all monies and other assets, including real and personal property held by Camps, Departments, and the National Organization are charged with a trust for the purposes for which the Order exists, as stated in its Act of Incorporation. Any use of said monies or other assets, including real and personal property for other purposes is illegal and shall subject the parties concerned to disciplinary action under Article VI of Chapter V and may be restrained by the Commander-in-Chief or Council of Administration to the extent, if necessary, of taking possession and control of the money or assets involved. For record keeping, please furnish the names of each financial institution in which Camp funds are being held. Please attach a separate sheet if necessary.

51. The following is a listing of all financial institutions in which department funds are being held:

	<i>Bank/Financial Institution Name</i>	<i>Street Address</i>	<i>City/State</i>
51a.	_____	_____	_____
51b.	_____	_____	_____
51c.	_____	_____	_____
51d.	_____	_____	_____
51e.	_____	_____	_____
51f.	_____	_____	_____
51g.	_____	_____	_____
51h.	_____	_____	_____

Attach Additional Sheet, if Necessary

DEPARTMENT TREASURER CERTIFICATION

Signature of Treasurer _____ Printed Name _____