



*Science and Technology  
of Materials, Interfaces, and Processing*

## **GUIDELINES FOR AVS CHAPTER, DIVISION, & GROUP (C,D,&G) TREASURERS**

### **1. Contacts with AVS**

Please inform Greg Exarhos, AVS Treasurer (greg.exarhos@pnnl.gov), and Peter Burke, AVS Financial Administrator (peter@avs.org), as soon as possible should there be a change of treasurer and/or an update to their contact details (most especially email addresses) in your chapter, division, or group. Remember that all Chapter and Division Treasurers must be current members of the AVS.

### **2. Ownership & Signers on AVS Accounts**

All AVS externally-held bank accounts must utilize the AVS National taxpayer identification number (TIN) 04-2392373 and have at least two signers on the account—the primary and at least one back-up. The signers must be AVS members and should be actively involved in the chapter or division represented by the account. The AVS National Treasurer or the Financial Administrator can serve as a co-signer upon request but it is not necessary that either be a signer on chapter, division, or group bank accounts. It is important that the chapter or division treasurer replace any signer who is no longer active in the chapter or division. Each year the C,D& G treasurers will be asked to identify all signers on all AVS accounts.

### **3. AVS New York Office Management of C,D,&G Accounts**

If you will issue only a few checks each year (e.g., <30), you may wish to consider closing your bank account and using the AVS National Office to hold your funds and issue any payments. This is a recommendation by the AVS Accountant/Auditor. An account can be set up in the name of your C,D,&G and the Financial Administrator will issue payments and issue financial reports upon request from the C,D,&G Treasurer. This will simplify the job of the C,D,&G Treasurer (no annual reporting needed and no need to set up bank accounts) with no loss of control over financial transactions. The Financial Administrator will be available to write checks (e.g., for awardees, etc.) upon demand at the Annual Symposia.

Bank interest these days is very low. In this regard, you may wish to take advantage of the AVS Chapter, Divisions, Groups & Meetings Account [CDG&M Account] managed by the Financial Administrator and Treasurer. This account holds the funds of Chapters, Divisions and Groups as discussed above and also meetings whose assets are managed by the AVS. Those chapters or divisions that have reserve funds [e.g., not expected to be needed for a year or more] might wish to move these funds to this account that hopefully has the potential to yield higher returns.

### **4. Reporting of IRS 1099 information**

Whenever you issue a check payable to an individual residing in the US (excepting expense reimbursements for which you have receipts), you must obtain the individual's **Social Security Number** and **Home address** before issuing the check. This applies to payments for services rendered, scholarships and honoraria. Amounts totaling less than \$600 in a calendar year need not be reported unless the individual is receiving funds from other AVS activities (e.g., an AVS short course instructor). If in doubt, submit a 1099 report.

Examples:

Check payable to John Smith – must be reported

Check payable to John Smith Catering Co. – is not reported

The Financial Administrator will prepare the 1099 forms for all C,D,&G Treasurers. He will need from you the recipient's name, home address and SS# as well as the amount paid to the recipient. **However, it is very important, because of IRS regulations, that he receives this information before 15 Jan of the following year.** Please complete this task in December if you are sure that no additional payments to individuals will be made in December. No special form is needed for this report. If you have made no payments to individuals during the year, please inform the Financial Administrator that this is this case. This shows the auditor that we have not overlooked the 1099 reporting.

## 5. **Annual Reports to the AVS Office:**

It is important to realize that some of our Chapters and Divisions have had an annual cash flow as large as \$2,000,000. This is a sizeable fraction (about 40%) of the total AVS cash flow. Each year our auditor examines in great detail all the financial transactions of the AVS National Office and prepares a special report and our tax return for the IRS. The final audit report and AVS tax return must include the financial activity of all Chapter, Division, and Groups so it is imperative that all Chapter, Division, and Group Treasurers submitted their year-end reports by March 15<sup>th</sup>, as requested. As we must avoid having the IRS audit our Chapter, Division, and Group records, all reports must be submitted in keeping with our guidelines and in a timely manner.

The Financial Administrator will send you a reporting form in mid-February. If you do not receive this form by 20 Feb, please contact him or the Treasurer. On this form, you must report all bank interest received during the year and you must submit a copy of the form 1099-INT sent to you by your bank(s). You must then categorize all income and expense either using the categories on the form or using other categories that may be more appropriate for your activities. It is then necessary to verify that:

Balance (1 Jan XX) – Expenses + Income = Balance (31 Dec XX)

[Note: Use your checkbook balance at year-end; do not use the balance on your most recent bank statement!]

The final item on this report has to do with advertising income such as may be generated by selling advertising space in a newsletter or vendor directory. The income and the cost of producing this advertisement must be included.

If you have any questions concerning this annual report, please contact the Treasurer or Financial Administrator. Again, we must have these reports complete, accurate and submitted by 15 March of the following year. Remember submit the 1099 report by January 15<sup>th</sup>! Bank statements from December of the prior year to January of the next year must be submitted with your report.

## 6. **Recording Activities During the Year**

In case your records are subjected to an audit (and to help you keep track of things), the following practices should be followed:

- a. Bank Reconciliations: Each month the treasurer should reconcile the bank statements with the chapter accounts. I'm sure that we all do this, but what many of us do not do is record somewhere the details of this reconciliation. Such a record is very useful in an audit.
- b. Periodic Reporting: The Treasurer of a Chapter or Division should report the status of the treasury to the Chapter or Division Officers periodically (e.g., twice a year at meetings of the officers). This is particularly important in Chapters or Divisions in which there is continuous financial activity. Copies of these reports should be kept with the financial records of the C,D,&G. It is recommended that accounting records be kept using appropriate software such as QuickBooks.
- c. Financial Activities to be reported in the Minutes of C,D,&G Executive Committee Meetings:
  - i. Indications of new or additional sources of support or revenue, or reduced or terminated sources.
  - ii. Acknowledgment of contributions, gifts, and grants received (including donated services and materials), and the nature of restrictions or requirements related to such items.
  - iii. Approval of agreements with funding sources and related budgets.

- iv. Approval of other budgets for programs or the organization as a whole.
- v. Approvals of new program services.
- vi. Approvals of changes in dues, rates, fees, or prices to be charged for program services or items sold.
- vii. Awards, renewals, or cancellations of grants to other organizations.
- viii. Approvals of fundraising activities, indications of the purpose or restrictions related to funds raised from the activities, and indications of program or management and general functions conducted in conjunction with a fundraising appeal.
- ix. Purchases, or commitments for future purchases, of
  - Property and equipment (also, construction projects and sales of property or equipment).
  - Investment securities (also, pooling and sales of investments).
  - Contract, consulting, and professional services.
- x. Lease agreements entered into.
- xi. Bank accounts opened or closed and restrictions on bank accounts.
- xii. Audits
- xiii. Identification of a related party or a transaction with a related party.
- xiv. Authorization to close existing accounts and open new ones, as well as any changes in the signatories to the accounts

**7. Chapter and Division Audits**

Starting with calendar year 2001, our auditor has audited the accounts of one chapter and one division each year. Each year one Chapter and one Division will be asked to submit their financial records to the auditor or the AVS New York Office. Detailed instructions regarding the submission procedure will be supplied to those selected for an audit.

**8. Records Retention**

Below is summarized the contents of a Record Retention Guide provided to us by our auditor. Please note that all of these items may be retained in an electronic format and hard copies are not required. If you need information on items not listed below, please contact the Financial Administrator([peter@avs.org](mailto:peter@avs.org)) or National Treasurer([greg.exarhos@pnnl.gov](mailto:greg.exarhos@pnnl.gov)).

Accounts payable/invoices Audit reports	7 years
Bank reconciliations	Permanently
Bank statements	3 years
Budgets – projections By-Laws	7 years
Cash Books	2 years
Chart of Accounts	Permanently
Checks (cancelled)	Permanently
Checks (relating to important transactions)	Permanently
Correspondence (general)	2 years
Correspondence (legal, important matters)	Permanently
Deposit slips	2 years
Executive committee minutes	Permanently
Expense reports	7 years
Financial statements (year-end)	Permanently
Internal reports (misc)	3 years
Invoices	7 years
Journals Ledgers	Permanently
Payroll records	7 years

**9. W-9 Reporting**

Requests for Taxpayer Identification Number and Certification from vendors and exhibitors are becoming more common. Attached is a copy of the form that should be supplied for all requests. It should be signed and dated by the C,D,&G Treasurer with the appropriate DBA (Doing Business As) name listed on the second line.