

#### FINANCE DEPARTMENT

#### **MEMORANDUM**

TO: U

**Unit Officers** 

FROM: Nazar Scott, Compliance Officer
RE: 2016 Annual Financial Reports

DATE: December 16, 2016

It is that time of the year again and I wanted to reach out to you all regarding the Annual Report as well as the assessments. You all should be finalizing your end of the year records for the preparation of the 2016 Annual Financial Report. Please remember that your report has to be postmarked in the mail by March 1, 2017, if not a \$100 late filing fee will be assessed and this will be in addition to your unit's annual assessment.

In addition to the basic income and expense information that you all will complete, there are some other items that I want to bring to your attention:

"NEW THIS YEAR" - Units will be allowed to submit their financial reports electronically via email. The unit's must be signed and the bank statements must be attached in the email. Units will need to have scanning capabilities for the report and should be able to download bank statements if the unit's bank account is set up for online banking. For those units that choose to email their reports you will have until Wednesday, March 1, 2017 11:59 p.m. EST to send your report via email before your report is considered late. Please include the following title in the subject line of your email "2016 Annual Financial Report". Units will be able to pay their assessment via credit card and must complete the credit card authorization form that will be included with the financial report. If paying via credit card please send the form along with your unit's report to my email address which is found at the bottom of this memo.

"NEW THIS YEAR" - You all should have noticed that your financial status compliance card were sent via email during 2016, that will continue for 2017 and beyond. Please ensure that your report has a current email address listed at the bottom of page 1 of the report. For units that do not have have an email or don't have access to your unit's email account that was created by the National office, please let me know so that I can give you instructions on how to access it. I am strongly recommending that all units have an email address as I will no longer be mailing out financial status compliance cards.

"PLEASE NOTE" - THE SHORT FORM IS INTENDED FOR UNITS THAT ONLY HAD INCOME FROM MEMBERSHIPS. IF YOUR UNIT RECEIVED INCOME FROM SCHOLARSHIPS/GRANTS, INTEREST INCOME, OR FUNDRAISING ACTIVITES NO MATTER THE AMOUNT YOUR UNIT MUST COMPLETE THE LONG FORM.

For units completing the Long Form, pages 1 through 6 must be returned in order for the filing to be complete. For units using the Short Form, pages 1 through 3 must be returned in order for the filing to be complete. Reports that are filed without all the pages will be considered incomplete and will not be processed.

The assessment, that is required to be paid, is the bigger of the fundraising assessment or the minimum assessment, but not both. If your unit has not paid its assessment by the time the report is filed, please include it when the report is filed. The normal fundraising assessment rate is 25% but units are allowed to pay the reduced rate of 15% if their total membership increased by 35% between January 1, 2015 and December 31, 2015.

The Annual Report must be signed by the President and Treasurer. Reports sent in without signatures will not be processed. For youth councils the advisor or officers from the adult unit may sign on behalf of youth officers if they are not available.

If you have any questions or concerns regarding the form or the assessments, please contact me at (410) 580-5716 or <a href="mailto:nscott@naacpnet.org">nscott@naacpnet.org</a>.

# NAACP SHORT FORM (MEMBERSHIP ONLY FORM)

THIS SHOULD ONLY BE COMPLETED BY UNITS THAT DID NOT RECEIVE ANY CONTRIBUTIONS/DONATIONS OR HAD ANY FUNDRAISING/ENTERTAINMENT EFFORTS DURING THE CALENDAR YEAR. IF YOUR UNIT HOSTED A FUNDRAISING EVENT OR RECEIVED CONTRIBUTIONS PLEASE COMPLETE THE LONG FORM.

# 2016 ANNUAL FINANCIAL REPORT

(Must be postmarked by March 1, 2017)

(Group Tax Return due to be filed by the National Office to the IRS by May 15, 2017)

# Cover Letter. Do not return to the National Office Annual Financial Report Instructions (Please read and follow very carefully). Keep in the Unit's files for reference. Do not return to the National Office. X Page 1 - Unit Information and Attestation (Please complete with appropriate signatures). The Pre and Treasurer of the unit must sign the report. X Page 2 & 3 - Part I - Gross Income, Part II - Functional & Other Expenses, and Part III - Net Assel Fund Balance Analysis

SEND THE ANNUAL FINANCIAL REPORT VIA CERTIFIED MAIL TO:

NAACP - NATIONAL OFFICE 4805 MT. HOPE DRIVE BALTIMORE, MARYLAND 21215

ATTN: FINANCE DEPARTMENT, NAZAR SCOTT

# FINANCE DEPARTMENT NATIONAL ASSOCIATION FOR THE ADVANCEMENT OF COLORED PEOPLE 4805 MOUNT HOPE DRIVE BALTIMORE, MARYLAND 21215 TEL # 410-580-5716

# Re: 2016 ANNUAL FINANCIAL REPORT (Must be postmarked by March 1, 2017)

Dear Sir/Madam:

The National Office of the NAACP is charged with the fiduciary responsibility of ensuring that all NAACP Units conduct their activities in an efficient and effective manner. In executing this responsibility, the National Office provides guidance to each Unit in the form of consultation, memoranda and training. In addition, a "Unit Financial Bookkeeping Guide" is prepared and disseminated annually to each Unit. This guide outlines established financial and accounting policies to be followed by each unit. Non-compliance with these policies and procedures jeopardizes the fiscal integrity of the Unit as well as the National Office tax-exempt status. To ensure compliance with policies and procedures and assist the National Office in preparing the Group Information Return (IRS Form 990) to be filed annually with the Internal Revenue Service, each Unit must complete and submit the Annual Financial Report which should be postmarked by March 1, 2017.

The Annual Financial Report is formatted to meet generally accepted accounting principles and income tax accounting requirements. This format allows us to capture all aspects of the Unit's activities when preparing the Annual Group Tax Return. It also requires Units to maintain complete and accurate records.

According to the Internal Revenue Service instructions on preparing the Group Information Return (Form 990), "every year, each local organization must authorize the central organization in writing to include it in the group return and must declare, under penalty of perjury, that the authorization and the information it submits to be included in the group return are true and complete."

We strongly advise every preparer to read and follow the instructions provided because any incomplete or improper submission shall result in the report being returned to the Unit and the Unit excluded from the Group Information Return.

We thank you for your consideration and look forward to your full cooperation. Remember that we are here to serve you. Please call the National Office if assistance is needed.

Sincerely,

Samuel Gaillard Chief Financial Officer

## SHORT FORM N A A C P

## ANNUAL FINANCIAL REPORT INSTRUCTIONS

#### ALL SEGMENTS OF THIS ANNUAL REPORT MUST BE COMPLETED

STEP #1

PLEASE VERIFY THAT YOU HAVE DOWNLOADED ALL THE REQUIRED SHEETS. THE SIGNATURE PAGE AND PARTS I, II, AND III MUST BE RETURNED TO THE NATIONAL OFFICE.

IF YOU DO NOT RETURN THE ANNUAL REPORT IN THIS FORMAT WE WILL BE UNABLE TO ACKNOWLEDGE THE RECEIPT OF YOUR UNIT'S ANNUAL FINANCIAL REPORT. THIS WILL AFFECT YOUR PARTICIPATION PRIVILEGES AT THE NATIONAL CONVENTION AND STATE/ STATE-AREA CONFERENCE.

FOR UNITS THAT COMPLETE THE REPORT MANUALLY PLEASE BE SURE TO MAKE A COPY OF ALL FORMS BEFORE BEGINNING AND BE SURE TO USE A PENCIL THIS WILL ENABLE YOU TO CORRECT ANY MISTAKES.

#### LINE 1 - 6 are very clear, so complete them accordingly from your data.

Each Unit is advised to properly categorize expense for calendar year 2016. If the amounts are incorrect, it makes reconciliation very difficult and problematic for the Unit.

PART III is the summary of the year's activities. It must show what the Unit began the year with, its income for the year, expenses and the ending balance for the year.

LINE 22 >>>>Every Unit must complete this line even if the Unit started the year with a negative or zero balance.

#### PLEASE ENTER THAT AMOUNT IN THE SPACE PROVIDED.

LINE 23>>>Enter the Unit's Income for the Year (Part I, Line 7).

LINE 24>>>Enter the Unit's Total Expenses, (Part II, Line 21).

Line 25>>>> Subtract Line 24 from Line 23.

Line 26>>>> Add line 22 and 25 above.

IF A PAID PREPARER WAS USED TO COMPLETE THIS REPORT, THAT PREPARER DOES NOT NEED TO SIGN THE ANNUAL REPORT. THE PRESIDENT AND TREASURER ARE RESPONSIBLE FOR THE UNIT AND THE UNIT'S REPORT THEREFORE THEIR SIGNATURE IS STILL REQUIRED.

FINALLY, PLEASE TAKE THE TIME TO REVIEW THE ENTIRE ANNUAL REPORT FOR ERRORS AND CORRECT THEM BEFORE TRANSCRIBING TO THE ORIGINAL.

WHEN THE REPORT IS FINALLY READY, PLEASE MAKE TWO (2) COPIES OF THE REPORT; RETAIN ONE ON FILE, SEND ONE TO YOUR STATE CONFERENCE OFFICE AND SEND THE DULY SIGNED ORIGINAL BY CERTIFIED MAIL TO THE FINANCE DEPARTMENT OF THE NATIONAL OFFICE FOR PROCESSING.

# SHORT FORM

#### FINANCE DEPARTMENT

# NATIONAL ASSOCIATION FOR THE ADVANCEMENT OF COLORED PEOPLE 4805 MOUNT HOPE DRIVE, BALTIMORE, MARYLAND 21215 TEL #410-580-5716

#### 2016 ANNUAL FINANCIAL REPORT

(Must be postmarked by March 1, 2017)

REGION I	REGION II	REGION III	REGION IV	REGION V	REGION VI	REGION VII	
Unit Name (Ur	it, Youth an	d Young A	dult Counc	il, College	Chapter or	State Con	ference)
Federal Identii * DO NOT USE FI			JMBER OF NA	ATIONAL OFF	Unit No	umber	
20					•		
Unit Address_							
City				State		Zip Code	
Please attach all bank stater	a listing of a	all bank ac e period 1/	counts mai 1/2016 thro	ntained by ugh 12/31/	the Unit w 2016.	ith copies	of
		( PL	EASE READ	CAREFULLY)			
The Young Adult (	Council, Col	lege Chapt	er or State hereby re	Conferenc	l authorize:	s the Natio	ociation for nal Office of th
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questions about this form, please call Nazar Scott at (410) 580-5716.

# **SHORT FORM**

NAACP ANNUAL	UNIT NUM	UNIT NUMBER		
AIIIIOAL	TIMANOIAE NEI ONT			
	PART I INCOME - REPORT ALL INCOME	AS (	GROSS AMOUNT	S
				CALENDAR YEAR
				2016
MEN	IBERSHIP			
	Corporate	\$		1
2	Life (all types)	\$		
	Regular	\$		
4	Youth	\$		
	WIN	\$		]
6	Refund from National Office	\$		
7	Total Membership Income (Add lines 1 through 6)			\$ -
	***** (Must Complete this Question) ***** AL MEMBERSHIP @ DECEMBER 31, 2016			
PART II	FUNCTIONAL / OTHER EXPENSES - REPORT ALL	EXP	ENSES PAID FRO	M UNIT TREASURY
8	Facility Rent	\$		]
	Utilities	\$		
10	Office Supplies	\$		
	Post Office Box Rent	\$		
12	Postage/Stamps/Messenger/Shipping	\$		
	Telephone/Message Service/Internet	\$		
	Printing/Publications/Subscriptions	\$		
15	Membership dues remittances to National Office	\$		
16	Bank Service Charges	\$		
17	Membership Drive	\$		
18	Community Service	\$		
19	Scholarship Expenses	\$		
	Miscellaneous Expenses (List Below)	\$	-	
21	Total Expenses (Add lines 8 through 20)			\$ -
				7
	Miscellaneous Expenses			_
20a		\$		_
20b		\$		_
20c		\$		_
20d		\$		
20e		\$		

Total (report total on line 20 above)

\$ \$ \$

# SHORT FORM

### PART III NET ASSET - FUND BALANCE ANALYSIS

22 Cash Balance on Hand at December 31, 2015 (There must be an entry on this line, check your 2015 Annual Financial Report for this amount	nt)	\$
23 TOTAL INCOME (ENTER Part I Line 7)	\$ -	1
24 TOTAL EXPENSES (Enter Part II Line 21)	-	]
25 NET INCOME/(LOSS) FOR 2016 (Subtract line 24 from line 23 above)		\$
26 Cash Balance on hand at Dec. 31, 2016 (Add Lines 22 and 25 of this page)		\$ -

PLEASE ATTACH A COPY OF ALL BANK STATEMENTS FOR THE PERIOD 01/01/2016 - 12/31/2016.

#### IMPORTANT NOTICE

PLEASE TAKE A FEW MINUTES TO REVIEW THE ENTIRE REPORT BEFORE SENDING IT TO THE NATIONAL OFFICE. IF YOU HAVE QUESTIONS, PLEASE FEEL FREE TO CALL (410) 580-5716.

### ADULT MINIMUM ASSESSMENT TABLE

Adult units with 0-100 members	\$300.00
Adult units with 101-500 members	\$500.00
Adult units with 501-1,000 members	\$750.00
Adult units with 1,001-2,000 members	\$1,000.00
Adult units with 2,001-3,000 members	\$1,500.00
Adult units with 3,001-3,500 members	\$2,000.00
Adult units with 3,501-4,000 members	\$3,000.00
Adult units with more than 4,000 members	\$5,000.00
All youth Units	\$75.00
All State Conferences	\$100.00

PLEASE NOTE: IF YOUR UNIT IS COMPLETING THE SHORT FORM, YOU ARE STILL REQUIRED TO PAY THE MINIMUM ASSESSMENT.

# **Credit Card Authorization Form**

# Information of Credit Card Holder

Print Name (as it appears on the card)	
Mailing Address	
City, State, Zip Code	
Home Telephone (area code, number)	
Credit Card Type (circle one): Visa Discover	
Card Number	Expiration (month/year)
Last 3 digits on back of Credit Card	
I authorize the NAACP to charge the amount to my card, for the purpose(s) written below	
Authorized Signature	 Date