

Treasurer

The USMS House of Delegates has included financial guidelines for the LMSCs in the USMS Financial Operating Guidelines (FOG). A summary of FOG financial requirements, IRS requirements, and financial recommendations is listed below. In addition, FOG in its entirety is included at the end of this section. The sections of FOG that pertain specifically to LMSCs are Part XI and portions of Part VIII.

LMSCs vary greatly in size and level of banking and other financial activities, so not all fit into the same mold. At the same time, LMSC treasurers perform an important and complex function. Good accounting practices and knowledge of USMS's financial policies for LMSCs are vital to an LMSC's financial health.

Bonding insurance is carried by USMS, and coverage extends to the LMSCs. However, coverage requires that each LMSC produce an annual financial statement and that annually an internal review of the LMSC's records is performed. Therefore, your LMSC must meet these requirements to ensure its coverage under the USMS bonding policy.

LMSC Financial Requirements

1. Each LMSC shall produce an annual financial statement consisting of at least an income statement and a balance sheet, based on sound accounting principles. LMSC financial statements may be prepared more often than once per year for LMSC use. See pages 3 and 4 of this section of the handbook for sample income statements and balance sheets.
2. As required by the USMS *Code of Regulations and Rules of Conduct*, a copy of each LMSC's annual financial statement must be sent to the USMS National Office within 4 months after the end of the LMSC's fiscal year. This financial statement should include an income statement with itemized revenues and expenditures and a balance sheet.

LMSC Financial Recommendations

1. Each LMSC should maintain financial statements and records, including receipts, bank statements, invoices, and other supporting documentation for a minimum of 3 years and possibly for as long as 7 years after the tax filing deadline for the year.
2. The same person should not be both treasurer and registrar.
3. Each LMSC should use the same fiscal year as USMS, which is the calendar year.
4. Each LMSC's financial records should be reviewed occasionally by someone other than the LMSC's treasurer, such review to include:
 - A. Verification of bank balances
 - B. Sample review of revenue
 - C. Review of expense documentation
5. Common stocks, preferred stocks, option devices, obligations denominated in foreign currencies, and derivative products are not considered appropriate financial instruments for USMS or any of its LMSCs.

IRS Requirements for Not-for-Profit Organizations

1. Each LMSC with annual gross receipts normally in excess of \$25,000 must file a tax return (form 990 or 990-EZ) for that tax year. An organization's gross receipts are considered to be normally \$25,000 or less if the organization is:
 - A. Up to a year old and has received \$37,500 or less during its first tax year;
 - B. Between 1 and 3 years old and averaged \$30,000 or less in gross receipts during each of its first 2 tax years; or
 - C. Three years old or more and averaged \$25,000 or less in gross receipts for the immediately preceding 3 tax years (including the year for which the return would be filed).

United States Masters Swimming

2. Any LMSC that makes payments of \$600 or more in any fiscal year to a person for services rendered must issue an IRS form 1099-MISC to that person by January 31 of the following year. Reimbursement for out-of-pocket expenses is not considered to be payment for services rendered.
3. All LMSCs are reminded that income unrelated to exempt activities may be taxable. Consult a tax advisor if you believe that the revenue from unrelated activities may be taxable.

PLEASE NOTE:

The reporting requirements for organizations with less than \$25,000 in gross receipts changes for 2007 (reports due in 2008). **LMSC Treasurers will need to possibly change/improve your recordkeeping for 2007.**

Current Law. The requirement that an exempt organization file an annual information return does not apply to organizations (other than private foundations) with gross receipts of \$25,000 or less. Also exempt from the filing requirement are churches, their integrated auxiliaries, and conventions or associations of churches; the exclusively religious activities of any religious order; section 501(c)(1) instrumentalities of the United States; section 501(c)(21) trusts; an interchurch organization of local units of a church; certain mission societies; certain church-affiliated elementary and high schools; certain State institutions whose income is excluded from gross income under Section 115; certain governmental units and affiliates of governmental units; and other organizations that the IRS has relieved from the filing requirement pursuant to its statutory discretionary authority.

New Law. Effective for notices and returns with respect to annual periods beginning after 2006, the new law requires organizations that are excused from filing an information return by reason of normally having gross receipts below a certain specified amount (generally, under \$25,000) to furnish to the IRS annually, in electronic form, the legal name of the organization, any name under which the organization operates or does business, the organization's mailing address and Internet web site address (if any), the organization's taxpayer identification number, the name and address of a principal officer, and evidence of the organization's continuing basis for its exemption from the generally applicable information return filing requirements. Upon such organization's termination of existence, the organization is required to furnish notice of such termination.

Four people oversee the financial operations of USMS: the USMS treasurer, Finance Committee chair, internal auditor, and controller. Contact information for each of them is listed elsewhere in this handbook and in the USMS rule book. You may use them as a resource.

Computerized accounting packages are available at a range of prices. These packages include templates and basic examples of financial statements. You may contact the controller if you want to discuss which package would be best for you.

LMSCs vary tremendously in the nature of activities and the level of financial detail required. Pages 3 and 4 of this section contain examples of income statements and balance sheets. These statements are examples only, and may be adjusted for your own use.

Small LMSC (Your LMSC's Name Here)

STATEMENT OF REVENUES AND EXPENDITURES FOR THE YEAR ENDED 12/31/07		STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES AS OF 12/31/07	
REVENUES		ASSETS	
Individual registrations	\$5,000	Cash—Checking account	\$790
Club registrations	75	TOTAL ASSETS	790
Sanction fees	250		
Interest	30	LIABILITIES	
TOTAL REVENUE	5,355	Sanction deposit fees	50
EXPENDITURES		FUND BALANCE	
Registration to USMS		Fund balance at 12/31/06	805
Individual & club	3,780	Net 2005 excess (deficit)	(65)
LMSC	20	Fund balance at 12/31/07	740
Postage	100		
Copy costs	150	TOTAL LIABILITIES & FUND	
Telephone	250	BALANCE	\$790
National convention	1,000		
Miscellaneous supplies	100		
Banking costs	20		
TOTAL EXPENDITURES	5,420		
NET EXCESS (DEFICIT) OF			
REVENUE OVER EXPENDITURES	(\$65)		

Large LMSC (Your LMSC's Name Here)

STATEMENT OF REVENUES AND EXPENDITURES FOR THE YEAR ENDED 12/31/07		STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES AS OF 12/31/07	
REVENUES		ASSETS	
Individual registrations	\$20,000	Cash—Checking account	\$13,940
Clinic fees	250	Inventory—T-shirts	400
Awards & T-shirt sales	800	Property—Computer	1,250
Club registrations	250	Accumulated depreciation	(300)
Sanction fees	250	TOTAL ASSETS	15,290
Interest	60		
TOTAL REVENUE	21,610	LIABILITIES	
		Sanction deposit fees	175
EXPENDITURES			
Registration to USMS		FUND BALANCE	
Individual & club	12,100	Fund balance at 12/31/06	14,975
LMSC	20	Net 2005 excess (deficit)	140
Newsletter costs	5,000	Fund balance at 12/31/07	15,115
Postage	300		
Depreciation	300	TOTAL LIABILITIES & FUND	
Telephone	300	BALANCE	\$15,290
Copy cost	200		
National convention	1,800		
Computer support	1,200		
Miscellaneous supplies	200		
Banking costs	50		
TOTAL EXPENDITURES	21,470		
NET EXCESS (DEFICIT) OF			
REVENUE OVER EXPENDITURES	\$140		

USMS REIMBURSEMENT VOUCHER

Budget Account Number:

Date:

Budget Account Title:

Year: 2008

Instructions:

1. Use a separate voucher for each budget account number submitted.
2. Fill in the appropriate account number and account title as found in the budget.
3. Please print or type legibly.
4. Attach receipts chronologically, as the expenses occurred. You may use the reverse side for additional explanation or itemization.
5. Please DO NOT submit requests under \$25 except at the end of the calendar year.
6. If a committee member incurs an expense, the committee member must complete the voucher and submit the voucher to the committee chair for an approval signature first before submitting the voucher to the controller for reimbursement.
7. **REMINDERS: Be sure to attach expense receipts to the voucher. If the reimbursement is in excess of your approved budget, obtain the proper approval. See FOG Section VI.**
8. Mail completed vouchers to:

**Margaret Bayless, Controller
22149 Rye Road
Shaker Heights, OH 44122
Controller@usms.org
Fax: 216-491-9024**

Requester name:

Address:

City, state, ZIP:

Make check payable to third Party:

Address:

City, state, ZIP:

EXPENSE TYPE	AMOUNT	EXPLANATION OF EXPENSE
Convention expense	\$	
Telephone/fax cost	\$	
Postage/ mailing	\$	
Printing/copying	\$	
Travel	\$	
Office supplies	\$	
Capital expenditures	\$	
Inventory purchases	\$	
Others (please specify)	\$	
Total Reimbursement	\$	

I hereby submit this request for reimbursement of expenses incurred by me on behalf of USMS, Inc.

Signature of requester:

APPROVALS

Committee chair/officer:

Date:

Controller:

Date:

United States Masters Swimming, Inc.
Profit & Loss Budget vs. Actual
January through December 2008

	<u>2008 Budget</u>
Ordinary Income/Expense	
Income	
4000 · Registration	
4010 · Fees - Individuals	\$ 1,090,000
4020 · Fees - Clubs	15,750
4050 · Transfers	555
4060 · One-Time Registrations	12,800
Total 4000 · Registration	<u>1,119,105</u>
4070 · Rule Books Sold	2,500
4071 · Rule Book Sponsor Income	1,300
4074 · Magazine Subscriptions	3,560
4075 · Publication Advertising	74,084
4150 · Championship Meet Surcharges	18,200
4151 · LD Championship Surcharge	3,500
4155 · Champ Patches	600
4157 · LD Champ Medals	3,700
4159 · Nat'l Meet Data Entry	400
4161 · MKTG - Affinity Cards	12,000
4171 · MKTG - Sponsorship Income	134,750
4200 · Publications Sales:	
4204 · Club Handbook	24
4210 · Top 10 Subscriptions	1,400
4214 · Open Water Manual	21
4215 · Decals	700
4216 · Post-it Notes	100
Total 4200 · Publications Sales	<u>2,245</u>
4250 · All Am Patches & Certificates	750
4251 · LD All American	375
4252 · Relay All-Am Awards	1,100
4430 · Snooper rent	600
4450 · Merchant Account Fee Income	7,400
Total Income	<u>1,386,169</u>

United States Masters Swimming, Inc.
Profit & Loss Budget vs. Actual
 January through December 2008

	<u>2008 Budget</u>
Expense	
5009 · Insurance	
5010 · Liability Insurance	120,750
5012 · Accident Insurance	22,800
5013 · Directors & Officers Insurance	3,890
5014 · Bonding	9,600
5015 · Property Insurance	685
Total 5009 · Insurance	<u>157,725</u>
5050 · President	15,500
5064 · VP - Local Operations	50
5070 · Secretary	250
5080 · Treasurer	250
5090 · Past President	560
5095 · Legal Counsel	100
5099 · Exec Committee	20,700
5100 · National Office	
5102 · Administrative	30,749
5103 · Registration expense	70,100
Total 5100 · National Office	<u>100,849</u>
5110 · Payroll, Taxes & Benefits	459,564
5120 · National Office Pubs:	
5121 · All-Am Patches & Certificates	963
5123 · Decals, Brochures, etc	450
5125 · Publications	260
Total 5120 · National Office Pubs	<u>1,673</u>
5130 · Executive Director	22,500
5270 · Championship Comm	2,000
5280 · Coaches Committee	15,550
5285 · Merchant Account Fees	4,600
5290 · Communications Committee	250
5300 · Convention Coordinator	52,500
5310 · Finance Committee	400
5320 · Fitness Committee	240
5330 · Insurance Coordinator	25
5350 · International Committee	1,810
5370 · Long Distance Committee	2,125
5380 · Marketing/Publications Comm	90
5390 · Officials Committee	2,075
5410 · Records & Tabulation Committee	1,450
5430 · Rule Book Coordinator	10
5435 · Plublications Mgt. Committee	200
5440 · Rules Committee	950
5460 · Sports Medicine Committee	1,200
5470 · Zone Activity Costs	4,000
5540 · History & Archives	1,200
5550 · Recognition & Awards	640
5610 · Controller	1,920
5630 · FINA Representative	200
5640 · International Delegate / ASUA	2,000
5660 · USA Swimming Liaison	1,200

United States Masters Swimming, Inc.
Profit & Loss Budget vs. Actual
January through December 2008

	<u>2008 Budget</u>
5670 · Corporate Partnership Liaison	15,500
5675 · USOC Liaison	1,200
5680 · SWIMMER Magazine editor	1,350
5685 · Web Operations	42,015
5701 · USMS Swimmer Magazine Costs	336,961
5702 · Public. Advertising Commission	18,521
5710 · Sponsor Costs	24,978
5730 · Mkt - Other projects	20,995
5750 · Mkt - Planner	4,650
5770 · Program/Club Development	25,000
5801 · Pool Championship Patches	500
5802 · LDS Champ. Patches	564
5803 · LDS Champ. Medals	2,671
5810 · Snooper expenses	600
5820 · Top 10 Subscriptions	1,695
5825 · National Coaches Conference	11,800
5840 · ISHOF Contributions	11,000
5860 · Rule Book Costs	9,000
5870 · Depreciation	4,100
5875 · Audit/Accounting Fees	9,100
5880 · Misc/Contingency	21,113
Total Expense	<u>1,439,669</u>
Net Ordinary Income (Loss)	(53,500)
Other Income/Expense	
4900 · Interest & Dividend Income	55,000
6050 · UBI Tax Expense	1,500
Net Other Income	<u>53,500</u>
NET INCOME	<u><u>\$ -</u></u>
 CAPITAL EXPENDITURES:	
Championship Patches	\$ 1,750
Long Distance Awards	5,985
National Office Inventory	1,950
Webmaster computer	2,500
	<u><u>\$ 12,185</u></u>