

INSTRUCTIONS FOR PREPARING CLUBS AND UNITS YEAR END REPORT

1. All information should be TYPEWRITTEN and completed in duplicate. The original should be mailed to the temple office by February 10th. Keep the duplicate copy for unit/club records.
2. This annual financial report is available on the SHRINERS website. We recommend that you download by accessing www.shrinershq.org/shrine/temple_communications/BATS_forms.aspx and select Units & Clubs annual report under **DOWNLOADS** link and save file. This report is available in EXCEL "fill-in" format. Update the file noting that negative amounts must be preceded by a minus sign. Summation formulas are already in the EXCEL total lines. The printed copy of this report is to be mailed directly to the temple for temple's use.
3. The financial statements are to be prepared on a modified accrual basis. The account descriptions used for this report do correspond with the Imperial Council chart of accounts. Be sure additions and subtractions are correct and account balances are in agreement with the supporting documents.
4. The final copy of the "Report of Shrine Clubs and Temple Units" is to be dated and signed by the Officer preparing the form and the chairman of the audit committee.
5. Underlying accounting record, bank statements, receipt books, invoices, and monthly reports to Imperial Council should be kept available for inspection for seven years. Unit and Shrine Club Annual reports should be kept permanently.

FINANCIAL POSITION

Cash For each checking and savings accounts, attach a copy of the December 31 and January 31 bank statements. Any unusual reconciling items must be supported by detailed list or explanation.

Remaining asset and liabilities account balances are to be supported by a detailed schedule attached to this report.

Members' equity section must be completed as follows:

- (a) Balance, beginning of year **must agree** with the amount reported as Balance, end of year on the prior year's Report of Shrine Clubs and Temple Units.
- (b) When the net surplus/(deficit) on the Statement of Revenue and Expenses is added to (deducted from) the Members, Equity Balance, beginning of year (a) above, the result represents the Members' Equity Balance, end of year. The total Assets must **equal** Total Liabilities & Members' Equity.

STATEMENT OF ACTIVITIES

Code

REVENUES

- (D) Contributions, gifts and donations. Include all fraternal contributions, gifts and donations. Donations payable to Shriners Hospitals or 100 million dollar club are to be forwarded directly to the temple office. Only a memo record or listing need be kept by the officer.
- (E) Social activities and meals. Include cash received and deposits from social events, trips and dinners not held for fundraising purposes. See (I) and (J) below.
- (F) Fraternal meetings and visitations. Include receipts at a fraternal meeting for entertainment, refreshments, association fees, or other sources.
- (G) Dues, initiation fees and assessments.
- (H) Investment income received during the year from bank accounts, certificate of deposits, etc. plus the amount of interest credited to the account as of December 31. Should there be any interest received on monies held for the benefit of Shriners Hospitals, the interest income must be reported separately from interest income earned on fraternal funds.
- (I) Fundraising revenues for the benefit of the UNIT/CLUB activities must have terms and provisions approved by the Potentate. Attach a list of events' receipts (I) such as dinner dances, sporting events, circus, drawings, and sale of Shrine merchandise, etc. Related expenditures included under (8) below.
- (J) Fundraising revenues for the benefit of Shriners Hospitals for Children must have approval from the Imperial Potentate and Chairman of the Board of Trustees. Attach a list of charity events' receipts (J) and disbursements (9) as reported on the Shrine Charity Activity forms.
- (K) Sales tax collected. For U.S. UNIT/CLUB--Include tax collected from individuals attending unit/club events or merchandise sold and amount payable to the State. For Canadian UNIT/CLUB--Include Goods and Services Tax collected. You may want to consider a separate line disclosure for GST collected.
- (L) Other. Include revenues not specifically listed above. A detailed schedule of revenues must be attached.

TOTAL REVENUES: For U.S. UNIT/CLUB--Internal Revenue Service defines gross receipts as all monies recorded in the book of accounts. The total of D through L is to be entered on this line. **UNIT FUNDS** belong to the temple and are included in temple's annual informational tax Form 990. Neither Imperial law nor IRS recognizes UNITS right to retain funds; therefore UNIT do not need a separate EIN. **CLUB FUNDS** are reported separately. If gross receipts are greater than \$25,000, the temple's accountant must include this report with this year's annual tax Form 990-Group Return. CLUBS reporting gross receipts of \$25,000 or less need only be listed by name, temple address and EIN and attach list to the Group Return.

EXPENDITURES

- (1) Administrative Costs:
 - (1a) Telephone and utilities. Include paid bills related to telephone and office utilities.
 - (1b) Office supplies and expenses. Include postage, printing, stationary, salary, wages, travel allowances, insurance, bank charges, etc. The purchase of office equipment exceeding \$300 should be capitalized and reported on the balance sheet.
 - (1c) Taxes and licenses. Include payroll taxes, sales taxes collected and payable and other assessed taxes and licenses. For Canadian UNIT/CLUB--You may want to use separate line disclosure for General Services and Provincial Taxes payable.
 - (1d) Interest expense on indebtedness.
- (2) Building operations and maintenance, excluding depreciation. Include repairs and maintenance to UNIT/CLUB's buildings and rental expenses. Full service restaurant or country club operating expenses should be identified separately to offset possible unrelated business revenues. (See Form 990-T rules).
- (3) Social activities and meals. Include all paid outs for social activities and dinners not included under fundraising expenses (8) and (9) below.
- (4) Fraternal meetings and visitations. Include cost of entertainment and refreshments at fraternal meetings, uniforms and parade unit purchases, travel to conventions, parade expenses , etc.
- (5) Dues paid. Include temple or association fees paid.
- (6) Promotion and publicity. Include newspaper notices, awards, and public relations expenses.
- (7) Charitable contributions. Include donations from excess UNIT/CLUB funds to Shriners Hospitals, temple's Shrine Hospital Patient Transportation Fund or other charitable institutions.

- (8) Fundraising expenditures related to events and cost of shrine merchandise sold that benefit UNIT/CLUB operating fund. Revenues included under (I) above.
- (9) Fundraising expenditures related to events held for the benefit of Shriners Hospitals. The expenses can be totaled on this line, but identified as direct costs and indirect fund raising expenses on the Shrine Charity Activity form. Revenues included under (J) above.
- (10) Members' relations include gifts to Nobles as authorized by the membership; i.e., flowers.
- (11) Transfer to Temple's operating and/or designated funds.
- (12) Other. Include expenditures not specifically listed above. Be sure to record a brief description of each item, i.e., parade expenses.

TOTAL EXPENDITURES: The total of 1 through 12 is to be entered on this line followed by total depreciation on buildings and equipment.

4. Summarization of discussion items is as follows:

- Annual filing of the UNIT/CLUB financial statement is to be prepared by the prior year's treasurer and forwarded to the temple office by February 10, 20___. The blank form is mailed to the temple by December 1, which allows two months for completion of the report or download by accessing www.shrinershq.org/shrine/temple_communications/BATS_forms.aspx per instructions in paragraph 2, page 2-38.
- Each UNIT/CLUB officers must work together to fine tune existing accounting procedures and implement changes to improve internal controls over cash receipts and disbursements, if deemed necessary.
- Officers are challenged to inform the members of the Shrine fundraising policies and procedures. Current guidelines are readily available for distribution from the Imperial Council Public Relations Department.
- Arrangements should be made with the temple office to provide storage space for the UNIT/CLUB bank statement, canceled checks and authenticated deposit slips. Upon completion of this report, forward all contents received with the monthly bank statements for the prior year to the temple office for centralized filing. Record retention of these statements will be seven years.