

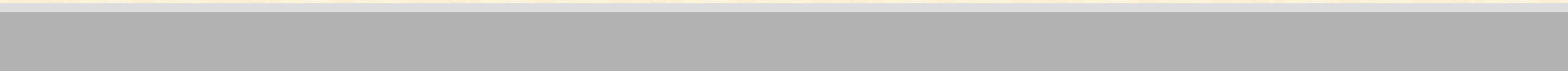
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# Treasurer's Module

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YORK RITE ADMINISTRATIVE CLASS FOR SECRETARIES, RECORDERS AND  
TREASURERS

MARCH 18, 2023



# Treasurer's Duties

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Receive all monies from the secretary, keep a just account of the same and pay them out by order of the presiding officer with the consent of the body.

Maintain IRS records, determination letter, verification of EIN, and others as required. Retain these records indefinitely.

Seven-year retention for financial account records, vouchers and proof of annual filings (IRS 990).

Prepare budgets, audits and reports to your organization.

# Signature Authority

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Recommend two signatures using vouchers or warrants as they serve as proof of approval of expenditure.

Some financial organizations provide an option for two signatures; however, a payee can cash at other financial institutions, stores, etc. which do not require two signatures on the check.

Online purchases do not accept checks

# Co-Mingling Funds

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Many governing bodies, including our Grand Bodies prohibit co-mingling of funds

Difficult to determine how much of the co-mingled funds belongs to each organization

Co-mingled funds subjects all account holders to any audit, investigation, penalties and fines

# IRS 990 Filing Requirements

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Filings are due to IRS on the 15<sup>th</sup> day of the 5<sup>th</sup> month after the end of the organization's fiscal year.

This due date may be extended for six months without showing cause by filing IRS Form 8868 before the due date.

Organizations failing to file an IRS 990 is subject to a penalty of \$20 per day for each day the return is late. This penalty also applies if the organization does not give all information required on the return or does not give the correct information.

The date IRS receives a complete and accurate return is considered the filing date.

# IRS 990-N (e-Postcard) Filing Requirements

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Used by most of our Organizations as this can be used by organizations with annual gross receipts of \$50,000 or less.

No penalty assessed for filing Form 990-N late, but organizations failing to file for three consecutive years will automatically lose their tax-exempt status. Use the online Tax-Exempt Organization Search tool <https://www.irs.gov/charities-non-profits/tax-exempt-organization-search> to view and obtain tax filing information.

This year, users must create a Login.gov account to access the IRS 990 e-postcard website. A user cannot use the same email address for multiple accounts.

# IRS 990-N (e-Postcard) Filing Requirements

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When creating your Login.gov account, you must use your existing 990 website login to access your previous filings. If that does not work, you can use the online tool to view them.

# Escheatment Process in Maryland

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State legislation requires that holders report properties with no owner activity to the state government after three years. After that, Maryland assumes temporary custody of the property for life until the owner comes to claim it, a process known as escheatment.

In Maryland, unclaimed property usually refers to money – it can lay abandoned in bank accounts, wages, dividends, insurance benefits, savings deposit box content and stocks !

The Maryland State Comptroller is in charge of managing unclaimed properties in the state.

An online search tool is available to use to locate a list of reported abandoned property.



# Escheatment Process (continuation)

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Use the online tool to obtain the property's Claim Number and complete a claim form.

Average reported wait time is 6 to 8 weeks.

Maryland does not charge a fee for releasing unclaimed property to the rightful owner, an individual, or a business organization.

Maryland only assumes temporary ownership of unclaimed property meaning there is no statutory deadline for claiming property and anyone can file a claim at anytime. HOWEVER, the law allows the comptroller's office to auction unclaimed items from abandoned safe deposit boxes on eBay and register the best return value of the property to the rightful owner.

# Escheatment Process (continuation)

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Best practice – ask your financial institution about its policy for reporting unclaimed property and maintain an active account. Adhere to it for your financial accounts and safe deposit box.

# Investment Accounts

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Recommended if your body can invest a sum of money for an agreed timeframe.

These accounts can generate more dividends and growth, but many have fees associated with them and penalties for withdrawals during the investment period.

Many offer check writing privileges

Not FDIC insured, even if purchased through a bank, but many act as a deposit broker and can place deposits at FDIC-insured banks on your behalf.

# Mobile (online) Banking

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Many banks and investment companies offer online banking – highly-recommended

- Provides an audit trail of financial activity
- Eliminates postage, mailing envelopes etc.
- Great for audit preparation – can generate a list of payments for specified reporting periods
- Mobile deposit of checks

# Hardware

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Laptops offer portability and performance rivaling many desktop computers

Mobile devices and web-based applications make it possible to use a phone or tablet instead of a computer

Some laptops include biometric logins which can enable the user to logon to websites using a fingerprint instead of a password

While at home, laptops can be connected to a larger desktop monitor

Purchase a hardware backup device such as a thumbdrive or portable external harddrive for data backup

Hardware will fail

Maintain backups to prevent data loss

# Software

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Quicken Deluxe works well for our organizational checking accounts. Annual fee appr \$60 on Amazon

Idrive online backup software is free and offers 10GB of cloud storage with automatic backups while your computer is online

Google offers Google Drive cloud-based storage and Google Workspace offices a business suite of software for \$6 per user per month with 1 year commitment. Includes Google Sheets for spreadsheets, Google documents for documents and Google Drive for storage

# Software (continued)

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LibreOffice offers a suite of free software for documents, spreadsheets, presentations, etc.

WPS Office offers free software for creating documents, presentations and spreadsheets

Microsoft Office web version is free

Apple offers free software for spreadsheets, documents

Caution – make sure you select Microsoft compatible file formats

# Password Managers

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Apple's keychain is included with its devices

Browsers, such as Chrome, Firefox and Microsoft Edge included built-in password managers, but while convenient, are not secure

LastPass offers a free subscription, but requires choosing between synching passwords on computers or mobile devices

Free versions offer limited options, and paid versions of most password managers average \$2 per month or as little as \$10 per year



# Digital Legacy

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Hardware will fail

Hardware backups are useless if only stored at your residence and a theft, fire or user error destroys them

Maintain file backups

- Hardware based – thumb drive, external hard drive and
- Cloud based – I Drive, Blaze, Carbonite, Dropbox

Provide login credentials, installation keycodes, etc. to your organization

Use antivirus software on your computer. I use Webroot which includes a password manager with its “Plus” option. Amazon’s current price is \$23 for year for 3 devices.

# Audits

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Recommend annual audits

Financial statements must be reconciled to spreadsheets of account software such as Quicken, QuickBooks, etc.

Audit should compare the secretary and treasurer's lists of receipts and bills to each other's list and reconcile them to the financial statements

Invoices must be provided for all expenses. Recommend vouchers be used to authorize payment of expenses.

Questions ?????

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