

## Finance

# FINANCE

### Payment of Dues and Fees

Dues and fees are payable by June 30 each year. State organization and chapter dues are set by individual chapters and state organizations. Active members who join on or after January 1 pay pro-rated international dues, chapter and state organization dues and scholarship fees. Immediately thereafter the state organization and international portions of the dues must be sent to the state organization treasurer and International respectively. Dues and scholarship fees for the ensuing year must be paid no later than June 30 to the chapter. Scholarship fees are only paid to the chapter and state organization. No fees are paid to International.

Honorary member whose status is changed to active membership pays dues and fees as specified. The member is not inducted again.

In order to pay the dues for the state organization and International, the chapter treasurer needs to follow the instructions located on chapter connect on the DKG website at [www.dkg.org](http://www.dkg.org) > MyDKG > My Account > Dues Portal.

### Dues Collection Timelines

- March 1 - Dues portal closes for the current membership year. Chapters should ensure all current members have had orders created in the dues portal prior to this date.
- April 1 – Dues Collection portal opens for the upcoming membership year. Chapters begin sending dues to international and state organizations (separate checks to each entity for respective portions).
- June 30 – Member dues collection deadline (to chapter). Begin collecting in April, May and June for the upcoming membership year.
- August 1 – Automated notices are emailed to members whose dues have not been paid (with email address on file with Society Headquarters). Email reminders will also be sent to all treasurers to remind them to reach out to members who have not paid dues.
- September 1 – Second automated notices are emailed to members whose dues have not been paid. Email reminders will also be sent to all treasurers to remind them that members who have not paid dues will be dropped October 1 if dues are not received.
- October 1 – Members whose dues have not been paid will be dropped. Members who have been dropped can be reinstated in the dues portal once current dues have been paid to the chapter treasurer.

**Assessments** - Only chapters may assess active members. Reserve members may be exempt from paying an assessment fee. Chapters have control of assessments.

**DKG has no reinstatement fee.** Reinstated members pay full dues and fees in accordance with the above schedule. All reinstated members pay full dues upon reinstatement at any time.

## Managing new members and member status

Presidents, membership chairs and treasurers should work together to ensure new members are engaged and remain active after induction. Membership numbers are issued when the chapter treasurer puts the name of the new member and their join date into the dues payment portal when they pay their dues. Without a member ID number, the new member is unable to access member benefits such as the website, resources, or publications.

A member who is unable to pay dues because of age-related challenges, physical disability or even confinement to a nursing facility may not be aware that dues have not been paid or may have no way of paying dues. The chapter may vote to pay the dues or may waive chapter dues and pay dues to the state organization and International. Reserve membership may also be an option for members.

In addition, the president, treasurer, and membership chair should work together to encourage all members to renew membership each year. Developing strategies that assist members who encounter financial challenges regarding dues payment can also help these members stay active and engaged. Installment plans, for example, would enable members on restricted incomes to pay dues over time until the final due date in July. When the treasurer identifies members who have not yet paid dues, the president and membership chair should contact them to remind them they are valued members of the chapter. A request may also be to ask other members in the chapter to assist with this task. A dues reminder card (Form 123) is available at [www.dkg.org](http://www.dkg.org) > Resources > Treasurer > Forms for both mail and email.

## Beginning the fiscal year

The fiscal year for The Delta Kappa Gamma Society International is from July 1 through June 30, inclusive. The duties of the new treasurer begin on July 1.

1. Accounting and membership documents
  - a. Access to MyDKG through the society website at [www.dkg.org](http://www.dkg.org)
  - b. Treasurer/membership documents located under the Resources tab.
  - c. Treasurer's accounting software – Excel or QuickBooks is recommended.
2. Maintain the chapter's files, as detailed in the Suggested Retention Schedule.

## Retention Schedule

Type of Record	Legal Period
Bank Deposit Slips/Copies of Cancelled Checks	7 years
Bank Statements/Reconciliations	7 years
General Ledger/Journal	Permanent
Authorization & Appropriation for Expenditures	7 years
Invoices	7 years
Auditor Reports/Financial Reviews	Permanent
Budget Reports	4 years
Revenue and Expenditure – Fiscal Year July 1 – June 30	7 years
Membership Form 18: Dues Orders	7 years
Membership List	4 years (at least)
Inventories of materials and supplies	4 years
Tax Returns – Federal 990 (US Only)	Permanent
Employee Payroll Records, timesheets, W-2 and W-4 records	7 years
Employee Applications	3 years
Employee Files	7 years after employment ends
State Organization Convention Financial Records	7 Years
Contracts	10 years from termination
Insurance Policies	Permanent
Leases	10 years from termination
Real Estate Purchases	20 years after sale
Annual Reports	Permanent
Articles of Incorporation	Permanent
Constitution/ Bylaws/Rules	Current
Type of Record	Legal Period
Bank Deposit Slips/Copies of Canceled Checks	7 years
Minutes	Permanent
Keep State Organization/Chapter records of archival value permanently. For long term storage DKG recommends that hard copies be kept in addition to electronic data.	

### Bank Accounts

- All chapter money shall be deposited in an account in the name of (Name) Chapter.
- The chapter president and the chapter treasurer are required signers on all financial accounts for the chapter. This needs to be updated if there is a change.

### Treasurer Responsibilities

Review governing Society documents regularly including the current Constitution and International Standing Rules and the current state organization's bylaws/standing rules and chapter rules.

Collect the proper dues and fees. **Never deposit chapter money into a personal bank account.**

1. Give a financial report at each meeting during the year.
  - Include a summary of expenses and income or for the period since the

- last meeting, and the balance on any invested funds.
- Maintain an accurate membership roster on Chapter Connect.
- 2. Paying the Bills
  - The treasurer pays the bills approved by the chapter president as authorized in the budget or through chapter actions.
  - Bills should be rectified before payment in a timely manner and receipts should be filed for financial review.
- 3. Annual filing
  - Complete and submit an annual report on Form 15 to the state organization treasurer.
  - File annually between July 1 and November 15, a Form 990N report for the Internal Revenue Service (for U.S. chapters only). Send a confirmation of the 990N filing to the state organization treasurer. The link to file these forms is available under Chapter Connect in MyDKG and available on the website under Resources > Treasurer.
- 4. Reinstatement of Members
  - For procedures for members reinstating, please refer to Treasurer Training PowerPoint for transferring and reinstating members on Chapter Connect on the Society website at [www.dkg.org](http://www.dkg.org).

## Making Contributions

- Contributions to various funds at the state organization and international levels are reported on Form 43. All international contributions must be sent with Form 43 to DKG International Educators Foundation, 12710 Research Blvd. Ste.230, Austin TX 78759.
- Credit card contributions may be made through the online contribution form on the Society website at [www.dkg.org](http://www.dkg.org) > DKGIEF > Ways to Contribute.

## Reporting Contributions

**A separate Form 43 must be completed for each gift with only one specified fund per form.** A separate check, wire or credit card is required for the amount submitted to each specified international fund. For example, one payment must be made payable to the Emergency Fund, and another payment payable to the World Fellowship Fund. If a chapter collects a number of checks made out to the World Fellowship Fund, they may use one Form 43 and put the total of the checks on the form.

Any contribution must be written out directly to the fund by the donor in order to receive a personal letter for U.S. tax purposes.

### Donating to the DKGIEF International Educators Foundation (DKGIEF)

Contributions to the DKG International Educators Foundation a 501(c)(3) are tax deductible to the fullest extent of the law in the U.S. and some other countries. These areas include Cornetet, Educational Projects, Educators Book Award, Emergency Fund, DKG Ignite, Eunah Temple Holden Leadership Fund, International Speakers Fund, Scholarship Fund and World Fellowship Fund. To claim this deduction,

complete Form 43 and make a check payable to the specific fund. Donations may be made online with a credit card as stated above.

## **Funds**

- A chapter must maintain an Available Fund and may create a Scholarship Fund if, by a majority vote, the members determine to do so.
- Once money is designated for scholarship, it may not be used for other purposes. The chapter may add to its fund from such other sources, as it may determine.

*\*Member countries other than the United States should check with their governments concerning required reports.*

## **Internal Revenue Service Information (U.S. State Organizations only)**

### **Tax Exempt Status**

The Delta Kappa Gamma Society International is tax-exempt under Section 501(c)(6) of the U.S. Internal Revenue Code. This exemption is an exemption from paying federal income taxes. It does not allow for exemption from state and local sales taxes charged on items purchased by the chapter.

The DKG International Educators Foundation is a 501(c)(3) U.S. federal income tax exempt corporation. Contributions to the Foundation are deductible on federal income tax in the U.S. and some member countries. Questions frequently arise about allowable fund-raising activities under 501(c)(6). Income that is unrelated to the tax-exempt nature of the organization may be taxable. To be taxable, income must be from a business not substantially related to the exercise of the charitable, educational or professional purposes on which the exemption of the organization is based. If the organization sells items to non-members, income could be considered taxable. Check state organization laws.

### **Employer Identification Number**

The Internal Revenue Service requires each unit of the Society to have an Employer Identification Number (EIN). This number is assigned by the Internal Revenue Service. International and each state organization, chapter, and coordinating council of the Society (U.S.) are required to present this number to any financial institution that pays interest on accounts.

When a new chapter is organized, Society Headquarters applies for the Employer Identification Number (EIN). When the chapter treasurer receives the EIN from the IRS, a copy of the letter should be emailed to the Finance Director at Society Headquarters at [societyoper@dkg.org](mailto:societyoper@dkg.org).

A complete list of Employer Identification Numbers is kept on file at Society Headquarters. Any changes in treasurers must be reported on Form 87 which can be

found on the DKG website. Each unit of DKG should have only one EIN. It is the treasurer's responsibility to keep this number and record it in financial records. All banks will require this information. Keep all correspondence from the IRS for chapter records. Also, do not ignore letters from the IRS. The chapter treasurer is the only one who receives correspondence from the IRS regarding the chapter.

The EIN is a nine-digit number and is frequently confused with personal Social Security numbers. Under no circumstances should a treasurer ever use a personal Social Security number for a Society account.

### Internal Revenue Service Reports

All U.S. chapters and U.S. state organizations and any other entities of DKG that have a separate EIN are required by the Internal Revenue Service to file annually a Form 990 or file the Form 990 n electronically between July 1 and November 15 of each year. The filing of the Form 990 or 990 n is based on annual gross income. Gross income means the amount of income for the year for the chapter only, not the total money the treasurer may have handled that belongs to another unit of the Society. This is reported at each level. If the gross income for the year is not more than \$50,000, the chapter or state organization must file a 990 n electronically. You can find a direct link and the process on the Society website in Chapter Connect. If a chapter or state organization has an income of more than \$50,000, it must complete the Form 990 available through your local accountant or on the IRS website. Contact the Finance Director at Society Headquarters at +1-512-478-5748 if you have any issues with filing.

The fiscal year on the report should be July 1 to June 30. If the fiscal year is incorrect, email [societyoper@dkg.org](mailto:societyoper@dkg.org) with the name of the chapter treasurer, email address, mailing address, chapter name and EIN. International will send a letter to the IRS on your behalf and send an electronic copy for the chapter or state organization files. All chapter treasurers and coordinating councils must send confirmation of Form 990n filing to their state organization treasurer. **Do not wait until the last minute to file. File as soon after July 1 as possible. In some cases there is something that needs to be changed with the IRS, like the filing year. It generally takes at least six to eight weeks for the IRS to make the change.**

***All U.S. treasurers of chapters, state organizations, coordinating councils and any other funds with a separate EIN must file a Form 990 or a Form 990 n with the IRS annually. The IRS will automatically revoke the tax exemption status of any unit failing to satisfy its filing requirements for three consecutive years. The automatic revocation is effective on the due date of the third required annual filing. This means that the chapter, state organization or coordinating council will lose its non-profit status under the DKG group ruling and its income will become taxable.***

Because The Delta Kappa Gamma Society International is tax-exempt under Section 501(c)(6) of the U.S. Internal Revenue Code, it is important to note that the exemption is from federal income tax only. State organizations or chapters are not exempt from paying state and local sales tax.

## **Coordinating Councils**

Some state organizations have a separate bank account for coordinating councils with a separate EIN number. Some use the EIN number of a chapter. When the EIN is the same as the chapter, the income is reported under the chapter filing. When there is a separate EIN, the treasurer of the coordinating council needs to file a separate 990n electronically, if income is under \$50,000.

## **All member countries**

### **Financial Audits**

The members of the Financial Review Committee are the examiners of accounts (sometimes referred to as the Audit Committee) are expected to examine all records and certify to the accuracy of these records. The organization holds this Committee accountable for any unexplained inaccuracies that may be found in the future in materials they have reviewed. Fiscal year begins July 1 and ends June 30. Financial audits are permanent records and are never destroyed.

The following is the minimum checklist that should be made in a financial review:

1. Financial accounts are in the name of a state organization or chapter of the Society, not in the name of an individual.
2. Signatures, including president and treasurer, on all bank accounts and investments are current.
3. The correct amount was collected for each type of membership.
4. Proper distribution was made for each type of membership fee and recorded.
5. Correct amounts were sent promptly to the DKG Headquarters/state organization treasurer for international and/or state organization dues and fees.
6. Bank statements were properly reconciled each month with the book balance and the checkbook balance.
7. The total amount of checks written equaled the total amount of expenditures recorded on the books.
8. The cash balance at the beginning of the year plus (+) receipts during the year minus (-) disbursements during the year equaled (=) the balance at the end of the year.
9. All expenditures are approved by the president supported by documentation.
10. All directives and limitations regarding finances, as recorded in the minutes of the organization, were followed.
11. Special contributions were received and/or disbursed in accordance with their intended purpose.
12. All fund transfers were made in a timely manner.
13. State organization Investment Policy is current.
14. A list of current bonds, securities and other investments is available, providing the following information for each investment:
  - a. type of investment
  - b. principal amount
  - c. maturity date
  - d. name of financial institutions
  - e. physical location of documents
  - f. correct amount of investment income recorded at time earned.

## Sample Budget Worksheet

Chapter \_\_\_\_\_  
 20\_\_\_\_ - 20\_\_\_\_  
 Revenue

Balance brought forward July 1, \_\_\_\_\_ \$ \_\_\_\_\_

### Estimated Receipts

Dues  
 International \_\_\_\_\_ @ \$40 (Active) \$ \_\_\_\_\_  
 \_\_\_\_\_ @ \$20 (Reserve) \_\_\_\_\_  
 \_\_\_\_\_ @ \$20 (Collegiate) \_\_\_\_\_

State  
 \_\_\_\_\_ @ \_\_\_\_\_ (A) \_\_\_\_\_  
 \_\_\_\_\_ @ \_\_\_\_\_ (R) \_\_\_\_\_  
 \_\_\_\_\_ @ \_\_\_\_\_ (C) \_\_\_\_\_

Chapter  
 \_\_\_\_\_ @ \_\_\_\_\_ (A) \_\_\_\_\_  
 \_\_\_\_\_ @ \_\_\_\_\_ (R) \_\_\_\_\_  
 \_\_\_\_\_ @ \_\_\_\_\_ (C) \_\_\_\_\_

Scholarship Fee \_\_\_\_\_ @ \$1.00 \_\_\_\_\_

Chapter Assessments \_\_\_\_\_ @ \_\_\_\_\_

Interest Income \_\_\_\_\_

Other \_\_\_\_\_

Total Estimated Receipts \_\_\_\_\_ \$ \_\_\_\_\_

Total Amount Available for Budget  
 (Balance Brought Forward + Receipts) \_\_\_\_\_ \$ \_\_\_\_\_

## Sample Budget Worksheet (Example)

### Expenditures

Estimated Expenses

Dues  
 International \_\_\_\_\_ @ \$40 (Active) \$ \_\_\_\_\_  
 \_\_\_\_\_ @ \$20 (Reserve) \_\_\_\_\_  
 \_\_\_\_\_ @ \$20 (Collegiate) \_\_\_\_\_  
 State  
 \_\_\_\_\_ @ \_\_\_\_\_ (A) \_\_\_\_\_  
 \_\_\_\_\_ @ \_\_\_\_\_ (R) \_\_\_\_\_  
 \_\_\_\_\_ @ \_\_\_\_\_ (C) \_\_\_\_\_

Scholarship Fee \_\_\_\_\_

Total Dues and Fees \$ \_\_\_\_\_

President's expenses  
 Conventions, workshops  
 Miscellaneous \_\_\_\_\_

Meeting expenses  
 Induction expenses  
 Stationery and supplies  
 Chapter yearbook  
 Postage \_\_\_\_\_

Contributions  
 International Funds  
 State Funds \_\_\_\_\_

Special Projects  
 Gifts and flowers  
 Miscellaneous  
 Other \_\_\_\_\_

Total Chapter Operating Expenses \$ \_\_\_\_\_

Total Estimated Expenses \$ \_\_\_\_\_

Estimated Balance June 30, 20\_\_\_\_ \$ \_\_\_\_\_

# FINANCE

**Income** - The Work of the Society is supported primarily by membership dues and fees. Additional income may be derived from contributions, bequests, sale of items, royalties, and vendor fees. A chapter also may vote to levy an assessment on its active members.

## **Non-dues Revenue**

Non-dues revenue is income that comes from sources other than dues and may be utilized at the chapter's discretion. Check state laws for any regulations or tax implications. Many state organizations and chapters have developed sale items to support activities congruent with the purposes and projects of The Delta Kappa Gamma Society.

## **Guidelines**

The following guidelines are in compliance with articles of the Constitution and International Standing Rules dealing with the sale of items and the use of Society Symbols. The Delta Kappa Gamma Society is a not-for-profit organization classified under Section 501(c)(6) of the U. S. International Revenue Code. The Society is not exempt from payment of sales tax. State organizations should investigate the sales tax requirements in their respective states, provinces and countries and adhere to them. Failure to comply with sales tax requirements will put the Society in jeopardy of losing its not-for-profit, 501(c)(6) status. Sale of items by vendors should be scheduled at times other than Society general sessions or business meetings.

1. Items should be of high quality, reflecting the professional image of the Society.
2. The Society key should not be used on items designed for sale by members, chapters, state organizations, and any other vendors.
3. Items may be advertised in state organization or chapter newsletters or brochures, consistent with postal regulations.
4. All vendors are responsible for obtaining all required governmental (state, province, county, city, country) sales tax numbers in the location where the event is held. All vendors are responsible for paying all applicable sales taxes to the governmental unit.
5. Written permission must be obtained for any materials protected by copyright.
6. The Delta Kappa Gamma Society International has adopted the following governing rules pertaining to the sale of items:
  - a. Constitution, Article X, Section A. International Conventions and Conferences 3. On-Site Sales
7. A state organization or chapter desiring to sell items at conventions and conferences shall follow the international guidelines for sale of items.
8. Each vendor/exhibitor approved to sell items at conventions and conferences shall pay a fee determined by the Administrative Board. A list of approved vendors exhibitors shall be provided to appropriate convention/conference personnel.

*Submitted by Non-Dues Revenue Committee 2019*

*Approved by the Administrative Board May 2020*

*Updates recommended by the 2020-2022 International Non-dues Revenue Committee 2/5/2021*

*Approved by Administrative Board - May 2021.*

**Ordering Society Jewelry and Paraphernalia**

When a member wants to purchase Society jewelry it must be ordered from Award Concepts, the official jeweler for the Society. Information is available online through the international website at [www.dkg.org](http://www.dkg.org). Chapters may decide to purchase jewelry for members as an accessory item but it is not mandatory for members. A separate order form for paraphernalia is used to order the induction materials from Awards Concepts, Inc. [www.dkg.org/store](http://www.dkg.org/store).

**Budget**

The chapter executive board shall establish rules for budget development and approval and for the supervision of chapter finances. The chapter president and the chapter treasurer shall serve as ex-officio in the procedure that is established. Chapters should assign responsibilities and establish rules for activities such as the following:

- Voting on the amount of chapter dues and assessments
- Preparing the chapter budget
- Reviewing, modifying and adopting the budget by the chapter executive board and/or chapter membership
- Supervising expenditures
- Supervising investments
- Providing for an annual review of the accounts of the chapter
- Filing the IRS Form 990 (only in the U.S.)
- The fiscal year of DKG begins July 1 and ends June 30.