

Disabled American Veterans Department of Minnesota

TREASURER SUPPORT FALL CONFERENCE 2023



Changes for this Year in the Financial Reporting for Chapter DAV AFR

1. National AFR is required to be on Rev 6-23 form, any other form will be rejected.
2. Requesting a extension has to be done 7 days prior to the filing date for approval.
3. Departments and chapters will begin submitting AFRs digitally (.pdf preferred) via email to AFRInfo@dav.org & Admin@davmn.org
4. As of 9-11-23, we have 9 chapter that have filed the AFR to Department and National

AFR SUPPLEMENTAL INSTRUCTIONS

1. Review AFR Instructions and Forms.
2. Determine gross income and expenses covering July 1 – June 30.
3. Reconcile June 30 bank statement(s) to the department/chapter bank register(s).
4. Make sure everything balances.
5. Determine what line category income and expenses are to be reported on. How was the income generated? Did the disbursement provide a direct service to a veteran? What was the reason for the expense? Was the fundraising event held to benefit a veteran/veteran family or fund a department/chapter operation?
6. Prepare schedules.
7. Fill out AFR and other Forms.

Required Forms:

Use the current Annual Financial Report Kit (Kit) provided by National Headquarters only. Current revision dates are located in bottom right corners immediately following the item number for each.

Current components of the Kit are:

- Annual Financial Report Instructions 901334 (06/23)
- Annual Financial Report Form 901338 Form (06/23)
- Service Expenses Schedule Form 901331 (06/23)
- Other Assets Schedule Form 901332 (06/23)

Income Filing Requirement:

- Total Income (Line 10) minus Dues Per Capita from National Headquarters (Line 1) equals \$25,000.00 or more, file complete AFR with both National & your DAV Department.
- Total Income (Line 10) minus Dues Per Capita from National Headquarters (Line 1) and In-kind Donations (Line 7) equals less than \$25,000.00, file complete AFR with your DAV Department only.

EXCEPTION: If immediate prior year's Total Income (Line 10) minus Dues Per Capita from National Headquarters (Line 1) and In-kind Donations (Line 7) equaled more than \$25,000.00, then send to National the completed 1st page of current year's AFR or a letter indicating that Line 10 minus Lines 1 & 7 of the current year's AFR is below the \$25,000.00 filing requirement for National's review.

The letter should also include the amount of total gross income, excluding per capita dues & in-kind donations, and the accounting year (e.g. 2015-2016).

CPA Review Required:

For both Departments and Chapters:

Total Income (Line 10) minus *All Funding from the National Organization (Line 1) and In-kind Donations (Line 7) exceeds \$300,000.00.

NOTE: *All funding to be reported on Line 1 includes, but is not limited to, per capita dues received from National Headquarters, grants from the Columbia Trust and, for Department's only, distributions from National for the Department Fundraising (aka State Service Payout) and the Department Revenue Sharing Programs and any other funds received directly from National.

Information provided must cover the entire accounting period of July 1 through June 30. All monies actually received and expended between July 1 and June 30 must be reported.

All Forms must be properly completed and all applicable information included directly on each.

AFR TOP



Annual Financial Report

Chapter _____ Department of _____
Name & Number Name of State

Located at _____ Accounting Period from **July 1,** _____ to **June 30,** _____
City State

Cash (Liquid Assets) Report

Beginning Balance \$ _____
(Total Liquid Assets from line 27 of last year's report)

This Year's Gross Income/Receipts (net values are not permitted):

- | | |
|---|----------------|
| 1. All Funding from National Headquarters | \$ _____ |
| 2. Forget-Me-Not Drive Gross Receipts | _____ |
| 3. Bingo Gross Receipts | _____ |
| 4. Thrift Store Gross Receipts | _____ |
| 5. Bar/Lounge Gross Receipts | _____ |
| 6. Interest and Dividend Income, from Checking, Savings and C.D.s only | _____ |
| 7. In-kind Donations during Accounting Period (Attach required schedule) | _____ |
| 8. Increase in Market Value of Investments on Line 26 during Accounting Period | _____ |
| 9. Other Income (Attach required schedule and legal gifting documents for bequests/trusts) | _____ |
| 10. Total Income (Sum of Lines 1 thru 9) (Do not include Beginning Balance amount) | \$ 0.00 |

*** The report must be reviewed by a certified public accountant if the amount shown on line 10 minus the amounts shown on lines 1 and 7 exceeds \$300,000. ***

This Year's Expenses (Disbursements) (net values are not permitted):

AFR MIDDLE

*** The report must be reviewed by a certified public accountant if the amount shown on line 10 minus the amounts shown on lines 1 and 7 exceeds \$300,000. ***

This Year's Expenses/Disbursements (net values are not permitted):

- 11. Administrative Personnel Salaries, Benefits, Payroll Taxes and Payroll Processing Fees *(Attach required schedule)* \$ _____
- 12. Conventions/Conferences/Seminars/Meetings *(Attach required schedule listing specific events and amounts)* _____
- 13. Postage and Office Supplies *(Administrative and non-service related postage & office supplies)* _____
- 14. Service Expenses *(Complete and attach required Service Expenses Schedule form)* _____
- 15. Forget-Me-Not Expenses *(All costs associated with drive)* _____
- 16. Bingo Expenses, including bingo salaries & payroll taxes *(Attach required schedule)* _____
- 17. Thrift Store Expenses, including thrift store salaries & payroll taxes *(Attach required schedule)* _____
- 18. Bar/Lounge Expenses, including bar/lounge salaries & payroll taxes *(Attach required schedule)* _____
- 19. Chapter Home/Department HQ Operational Expenses *(Attach required schedule)* _____
- 20. Decrease in Market Value of Investments on Line 26 during Accounting Period _____
- 21. Other Expenses *(Attach required schedule)* _____
- 22. Total Expenses *(Sum of Lines 11 thru 21)* \$ 0.00

Ending Balance \$ 0.00
(Beginning Balance plus Line 10 minus Line 22)

AFR BOTTOM

Statement of Liquid Assets:

Liquid assets are those assets which are readily convertible to cash, and do not include real or physical property such as real estate or furniture and fixtures. If applicable, complete and attach Other Assets Schedule form (901332-Rev. 8/21) to this report.

- 23. Checking Accounts (**Attach copy of bank statement**) \$ _____ + Cash on Hand \$ _____ = \$ 0.00
- 24. Savings Accounts (**Attach copy of bank statement**) _____
- 25. Certificates of Deposit (**Attach copy of bank statement or letter from financial institution verifying value**) _____
- 26. Market Value of Investments as of End of Accounting Period (**Attach copy of investment statement**) _____
- 27. **Total Liquid Assets (Sum of Lines 23 thru 26) (Must equal amount on Ending Balance Line)** \$ 0.00

Name of Bank(s) and Local Branch Location(s) _____

Names of Authorized Signers on Bank Account(s) _____

SIGNED by audit committee (three members)
(Must not include commander, sr. vice commander, treasurer, adjutant or finance chairperson)

Audit Committee Member Signature & Membership Number

Audit Committee Member Signature & Membership Number

Audit Committee Member Signature & Membership Number

Date

SIGNED & SUBMITTED by department/chapter treasurer

Treasurer Signature

Treasurer
Title

Date

This form is required to be submitted annually by the National Constitution and Bylaws Article 8, Section 8.4, Article 9, Section 9.3 and Article 10, Section 10.1. If gross receipts of chapter, excluding dues per capita, are less than \$25,000, submit report to state department only.

Email to National Headquarters: AFRInfo@dav.org | Send a copy to your DAV state department (see instructions). 901308 (6/23)



DAV State: Admin@davmn.org



Service Expenses Schedule (for Line 14)

Important Notice to all Departments and Chapters:

This form must be completed as an itemized schedule for **Line 14** under the "Expenses/Disbursements" section of the financial report and **attached as an addendum to the report**. Alterations and/or grouping of these lines are not acceptable. Please group supporting documentation by category, staple and clearly label with title of corresponding line.

	<u>Amount</u>
Donations to VA Medical Centers (attach schedule listing name of VAMC, reason for expense/donation, and amount and copy of recognition letter from VAMC):	\$ _____
Donations to State Veterans Homes and Patients (attach schedule listing name of facility, reason for expense/donation, and amount and copy of recognition letter from facility):	_____
Donations to the Columbia Trust (attach copy of recognition letter from Trust, which may be requested at NSF@dav.org, or copy of canceled check):	_____
Donations to the National Service Foundation (attach copy of recognition letter from Trust, which may be requested at NSF@dav.org, or copy of canceled check):	_____
DAV Transportation Network Vehicle Grant Program (payments made directly to DAV National Headquarters for Program):	_____
VAVS Programs (attach schedule of each program by facility and total program expense for each. If service was in form of donation, attach a copy of recognition letter from facility):	_____
Service Programs (attach schedule listing name of organization, name of program and total program expense for each and a copy of recognition letter from organization. If department/ chapter-operated program, list program name and total program expense and attach copies of receipts substantiating total expense):	_____
Service Office/Officer Expenses (attach schedule listing reasons for expenses with total amount stated for each category):	_____
Service Officer Salaries and Benefits (attach schedule listing name and total salary and benefits for each):	_____
Hospital Service Coordinators Salaries, Benefits & Expenses (attach schedule listing name and total salary and benefits of each, and all other related expenses):	_____
Direct Assistance to Needy Veterans & Families (attach schedule listing veteran name, reason for grant/assistance, and amount and copy of Financial Assistance Form, if using):	_____
Publication of Newsletters/Periodicals (devoted to providing service/VA benefits/ membership information):	_____
In-kind Donations (attach schedule listing recipient's first and last name, item donated and estimated value of each):	_____
Other Service Expenses (attach schedule listing the reasons for expenses/disbursements with the total amount stated for each category. If service was in form of donation, attach copy of recognition letter from recipient):	_____
Total Amount of Line 14 Expenses (this figure must equal the amount reported on Line 14 of Annual Financial Report):	\$ <u>0.00</u>



Other Assets Schedule

Important Notice to all Departments and Chapters:

This form is to be used to report all **fixed assets**. Do **not** include any cash/liquid assets on this form. Please be prepared to substantiate the reported assets with supporting documentation.

Real Estate: If more than two properties are owned, attach list showing the required information for **each** additional property. **Rented or leased property that is not titled in the department/chapter name or affiliated entity (e.g. thrift store) should not be listed.**

Address/location of property:

Address/location of property:

Date of acquisition/purchase of property:

Date of acquisition/purchase of property:

Current market value as of June 30, including land, buildings and market improvements:

\$

Current market value as of June 30, including land, buildings and market improvements:

\$

Loan Information: Current balance of **any** loan in the department/chapter name or affiliated entity name as of June 30, including name and address of lending institution:

\$

(Loan Balance)

(Lender's Name and Complete Address)

Furniture/Equipment:

(Provide brief descriptions, for example, desks, chairs, computers, stove)

\$

Total Estimated Market Value as of June 30

Vehicles (Automobiles, Trucks, Vans, Trailers):

(Provide year, make and model)

\$

Total Estimated Market Value as of June 30

Inventory/Miscellaneous:

(Provide brief descriptions, for example, flags, office supplies)

\$

Total Estimated Market Value as of June 30

Email to National Headquarters: AFRInfo@dav.org | Send a copy to your DAV state department (see instructions).

Chapter IRS Requirements

- At present we have 32 chapters in the State that are required to report to the IRS annually.
- At the present time there is no Chapter that has their EIN revoked for not filing three years in a row.
- Failing to file on time or ask for an extension is expensive to the Chapter, I have been told that 30 days late could cost the Chapter around \$500.00 in late fees.
- Of the 32 Chapters, there are 17 chapters that require to file a 990-N (postcard) which take about 5 minutes to update and file. And there are 15 chapters which are required to file a 990-EZ or 990.
- November 15 of each year (IRS form 990 is due, 990-N Postcard or 990-EZ for over \$50,000.00 and under \$200,000.00, and form 990 for over \$200,000.00 and under \$500,000.00)

IRS 990-N Post Card

Submitting Form 990-N (e-Postcard)

If you're eligible to submit Form 990-N (e-Postcard), review the submission guidance and gather the information needed (below). Once you're ready, you can access the e-Postcard system and submit Form 990-N. You will be asked to sign-in or create an account to submit Form 990-N.

Beginning August 1, 2022, smaller charities that are eligible and choose to file Form 990-N, Electronic Notice for Tax-Exempt Organizations (e-Postcard), must sign into the IRS modernized authentication platform using either their active IRS username or create an account with ID.me, the current IRS credential service provider.

When accessing the [Form 990-N Electronic Filing system](#), you will have three options:

- 1. Sign in with their active IRS username:** Users with an active IRS username have the option to access the Form 990-N submission page using their existing IRS credentials or they can choose to create a new account with ID.me.
- 2. Sign in with their existing ID.me account:** Users that have an ID.me account to access other IRS online services or from a state or federal agency can sign in using their existing ID.me account.
- 3. Create a new ID.me account:** Users that don't have an active IRS username credential must register and sign in with ID.me.

ID.me account creation requires an email address and multi-factor authentication. Form 990-N filers who have an existing IRS username and register for an ID.me account must use the same email address.

Review the [IRS Form 990-N Electronic Filing System \(e-Postcard\) User Guided](#) for step by step instructions on how to create an account and submit electronic Form 990-N (e-Postcard). Most common problems can be avoided by following the User Guide.

[Submit Form 990-N \(e-Postcard\)](#)

IRS 990-N Postcard Cont.

Sign In or Create a New Account

If you have an existing IRS username, please create a new ID.me account as soon as possible. We're bringing you an improved sign-in experience.

If you're a new user, please create an account with ID.me. You can also sign in with an existing ID.me account.

ID.me is our trusted technology provider in helping to keep your personal information safe.

Create a new account

OR

Sign in with an existing account

[Sign in with an existing IRS username](#)

IRS filing Changes for 2021-2022

- This year all 990-EZ have to be filed digitally. No paper file will be accepted.
- The IRS has sent out letter to every organization that file a 990-EZ stating this. They also give you a web page to find acceptable company which the IRS will accept.

Transition of Form 990-EZ

For small exempt organizations, the legislation specifically allowed a postponement ("transitional relief"). For tax years ending before July 31, 2021, the IRS will accept either paper or electronic filing of Form 990-EZ, Short Form Return of Organization Exempt from Income Tax. For tax years ending July 31, 2021, and later, Forms 990-EZ must be filed electronically.

MINNESOTA ATTORNEY GENERAL REQUIREMENT

- 1.) YOU HAVE TO BE REGISTERED TO SOLICIT FUNDS IN THE STATE MINNESOTA
- 2.) YOU MUST BE CURRENT WITH THE OF MINNESOTA (SECTARTY OF STATE)
- 3.) YOU MUST FILE EVERY YEAR

Mail To:

Minnesota Attorney General's Office
Charities Division
445 Minnesota Street, Suite 1200
St. Paul, MN 55101-2130

Website Address:

www.ag.state.mn.us/charity

STATE OF MINNESOTA
CHARITABLE ORGANIZATION
ANNUAL REPORT FORM
INSTRUCTIONS

(Pursuant to Minn. Stat. ch. 309)

**WHO SHOULD FILE**

- A charitable organization registered to solicit contributions in Minnesota must file an annual report with the Attorney General's Office.
- A charitable organization is a person who engages in or purports to engage in solicitation for a charitable purpose. *See* Minn. Stat. 309.50, subd. 5. "Solicit" and "solicitation" have the meanings set forth in Minn. Stat. § 309.50, subd. 10 and include oral or written requests.
- Please refer to the definitions set forth in Minn. Stat. § 309.50 when completing registration and report forms.

WHEN TO FILE

- An organization's annual report must be postmarked by the 15th day of the seventh month after its fiscal year-end. If the due date falls on a Saturday, Sunday, or federal holiday, the report must be postmarked by the next business day.
- An organization may request a four-month extension. Extension requests must be submitted on or before the due date. **If an organization fails to file its annual report or request an extension by the due date, a \$50 late fee is assessed.** Visit www.ag.state.mn.us/Charity/ExtensionRequest.aspx to request an extension.

Fiscal Year-End	Due Date	Extended Due Date
January 31	August 15	December 15
February 28	September 15	January 15
March 31	October 15	February 15
April 30	November 15	March 15
May 31	December 15	April 15
June 30	January 15	May 15
July 31	February 15	June 15
August 31	March 15	July 15
September 30	April 15	August 15
October 31	May 15	September 15
November 30	June 15	October 15
December 31	July 15	November 15



CHARITABLE ORGANIZATION ANNUAL REPORT FORM INSTRUCTIONS
(Continued)

WHAT TO FILE

If submitting these forms via mail, please **do not** use staples.

- Charitable Organization Annual Report Form.
- IRS Form 990, 990-EZ, 990-PF, or 990-N plus all schedules and attachments, EXCLUDING any schedules of contributors to the organization (Schedule B).
- IRS Form 990-T (if the organization files one).
- A full list of the organization's board of directors, including names, addresses, and total compensation paid to each.
- An audit prepared in accordance with generally accepted accounting principles by an independent CPA or LPA if the organization has total revenue of more than \$750,000. The value of donated food to a nonprofit food shelf may be excluded from the total revenue if the food is donated for subsequent distribution at no charge and is not resold.
- \$25 registration fee.
- \$50 late fee, if the organization failed to request an extension or submit its complete report by the due date.

HOW TO FILE

This form may be submitted via email and the fee may be paid electronically.

- The form and all attachments should be emailed to charity.registration@ag.state.mn.us. The email and attachments can be **no larger than 25 MB**. The subject line of the email must contain the organization's name. If the materials you are submitting are more than 25 MB, submit the attachments in separate emails properly labeled in the subject line (e.g., email 1 of 3).
- Documents must be in PDF format and named in an identifying manner (e.g., Charity Annual Report).
- You will receive an automatically generated confirmation email. Receipt of the email confirms only that this Office received your submission and is not an attestation regarding the validity or completeness of the submitted materials.
- You may pay the \$25 registration fee and/or \$50 late fee via credit card at www.ag.state.mn.us/Charity/CharFees.aspx, or you may submit a check via U.S. mail. If paying by check, make the check payable to "State of Minnesota."

DATES TO REMEMBER

- ▶ September 30 of each year (National Annual Financial report is due to Department and/or National over \$25,000 income)
- ▶ November 15 of each year (IRS form 990 is due, 990-N Postcard or 990-EZ for over \$50,000.00 and under \$200,000.00, and form 990 for over \$200,000.00 and under \$500,000.00)
- ▶ Dec 31 of each year (Online update your SOS nonprofit corporation, can submit it 180 days ahead of due date.)
- ▶ Jan 15 of each year (Update your Minnesota Attorney General Solicitation form and pay \$25.00 if your organization make over \$25,000.00)

DEPARTMENT IS HERE TO HELP

- ▶ DEPARTMENT OFFICERS ARE READY TO HELP ANY CHAPTER WITH THESE FORMS
- ▶ MY CONTACT INFORMATION IS: SCOTT BERNDT 763-245-2585 AND EMAIL: s-berndt@msn.com