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GENERAL

The TelecomPioneers is recognized by the Internal Revenue Service (IRS) as a organization exempt from federal income tax under Section 501(c) (3) of the Internal Revenue Code.

Included in this "Practice" standardized "chart of Accounts" which is usable by all of the software programs. This may be modified for special needs by calling the TelecomPioneers Finance & Accounting Department in Denver for account name and/or number assignment.

This packet also includes samples of all the updated descriptors and TelecomPioneers Accounting Forms. Pioneers are free to adapt the TelecomPioneers accounting forms to company or software format, as needed. Please contact TelecomPioneers Finance & Accounting Department in Denver for assistance. Adaptation or substitution of forms and formats DOES NOT mean elimination of current functions and requirements.

IMPORTANT NOTE: compliance with the Balance Sheet and Income & Expense account structure, is required and is necessary for the production of the TelecomPioneers Chapter Annual Report. The TelecomPioneers Chapter Annual Report is the sole mandatory report required by TelecomPioneers HEADQUARTERS annually. This TelecomPioneers-Chapter Annual Report is the basis for the annual IRS TAX RETURN 990 that is filed by TelecomPioneers HEADQUARTERS for the entire corporation. All chapter officers & Executive Board members are responsible for this information for their chapter (which includes all of its councils & clubs). IRS, state and local tax codes demand a greater attention to detail than Pioneers have experienced in the past.

Of particular importance is the recognition of state, county and local sales taxes. While we are exempt from federal and most state *income* taxes, state sales tax exemptions are subject to individual state laws and must be obtained locally for exemption on sales taxes on things we purchase for our own use. In addition, we are required to collect sales taxes on things we sell in Pioneers Stores or in Fund Raising activities (primarily "purchased items", as opposed to "bake sale" or similar items of our own making).

The following rules and guidelines are designed to help all Pioneer units comply with these requirements while continuing to carry out the real purpose of Pioneering - helping others. It really is imperative to do all that is possible to track where the money comes from, how it is spent and who the final recipient is.

This practice provides guidelines for Pioneer chapter and subordinate unit personnel as a help in accounting for unit funds. Maintaining the tax-exempt status of the Pioneer organization is the major priority. It also describes restrictions placed on Pioneer activities.

Chapters are cautioned that these procedures are designed to help you conform to IRS regulations. Individual units must, in addition, also abide by the other tax laws of their state, county and municipality.

This practice is designed to set a standard, but the procedures and forms recommended can be

adapted or abbreviated to meet needs peculiar to local situations. No matter what approach is taken, however, the account classification names must be maintained so that reporting throughout the entire Association will be uniform.

In all cases, if there are concerns or questions, the record keeper is encouraged to call the Finance department at TelecomPioneers Headquarters for counsel or help.

INTERNAL FINANCIAL REVIEW (AUDIT PROGRAM)

In 1999, the Association Board of Directors established a formal program for the periodic Financial Review of chapter finances and records by the Headquarters' Staff. The review process will include chapters, their sub-units (councils and/or clubs) on a regular basis. The purpose is to assure compliance with all Association Financial Practices and to verify the validity of reports to the IRS and all tax returns.

HANDLING FUNDS

Dues

The annual membership dues requirement is \$15.00 per year. Of this, \$5.00 per member is prorated to Association headquarters for administrative expenses and is payable on or before September 30. The remaining \$10.00 is dispersed with \$2 going to the Group and \$8 remaining in the Chapter. **THIS MAY VARY DUE TO THE CHAPTER STUCTURE IN New Outlook AND AT&T.** It is used for administrative and fellowship activities and further dispensed to councils and clubs as determined by the chapter's executive board.

Contributions

Contributions to TelecomPioneers from members and others are acceptable and may be applied to the general purposes of the organization.

Interest

All funds should be kept in interest-bearing accounts whenever possible.

Fund Raising

The main source of chapter income may be from fund-raising activities. Budgets should be prepared annually from estimates of the financial needs of the chapters and their subordinate units. Then, fund-raising activities may be planned accordingly. Funds are usually raised through a variety of activities with profits from these events. **It is important to note that the sales of purchased articles for resale are subject to sales tax. REMEMBER: sales taxes need to be collected, reported and paid to the appropriate taxing entity.** This may included the resale of such objects as candy, telephone memorabilia, costume jewelry and articles of clothing (jackets with the Pioneer or sponsor company logo, T-shirts, caps, etc.).

The Association Board of Directors has deemed that **a minimum of 50 percent** of the chapter's **net income** must be set aside in a special account designated for Charitable Causes. These funds, and any interest accrued by them, may be disbursed only for religious, charitable, scientific, literary or educational purposes, or for the prevention of cruelty to children or animals. The 50

percent rule need not be applied on a per-event basis. The Association recommends that funds be transferred to the Reserve for Charitable Causes account on a quarterly basis. **Note: that this is in addition to 100% of the net proceeds of specialized “charitable purpose” fundraising.**

DONATIONS

Donations from the Charitable Causes account can be made to individuals, as long as the individual qualifies under **predetermined** criteria established by the chapter executive board. These predetermined criteria would establish a charitable “class” of people sufficiently large enough that the IRS would determine that donations are not for the benefit of the membership only.

For example, the board may elect to assist those affected by a home fire in the chapter’s geographical area. As such, the distribution of funds may not be limited to Pioneers or telephone industry employees, and receivers should include *in equal measure* residents of the community at large. Dispensing funds in any other fashion will jeopardize the tax-exempt status.

The following are examples of distributions from Charitable Causes:

- Purchase of materials to make audio toys and talking dolls for donation to institutions for the blind or developmentally disabled
- Gifts to the sick, the aging or the orphaned, or to veterans’ organizations
- Expenses incurred as a result of tutoring the disadvantaged or those who are physically or developmentally disabled
- Expenses incurred (including those of Pioneer personnel) in connection with the transportation, feeding, entertainment and lodging (relative to aiding or entertaining) the underprivileged, aged or disabled (e.g., transporting blind children to the circus; travel, food and lodging for the disabled at “special” Olympics; clowns visiting hospitals, etc.)
- Decorating and refurbishing the quarters of the disabled, the aged or those confined to hospital wards
- Purchasing gifts, such as wheelchairs or crutches, for donation to the needy
- Aid to those who have suffered a loss as a result of a major disaster, such as a hurricane, tornado or earthquake.

In all of the activities already mentioned, as well as other similar charitable activities, funds will be used only to purchase the articles required. On occasion, the funds may also be used for transportation, (e.g., a bus may be chartered to take a group to a hospital or orphanage). No salaries will be paid, and no chapter members or other individuals participating in these activities will be reimbursed other than for out-of-pocket expenses relative to the activity.

The chapter executive board must approve all disbursements from Charitable Causes account for:

- Contributions
- Expenditures for ongoing projects (e.g., expenses of traveling clowns, materials purchased for refurbishing homes for aged, etc.)
- Materials purchased for donation (e.g., talking dolls, beepballs, etc.) and

- Reasonable day-to-day administrative expenses and advances relative to charitable projects.

Disbursements from the Charitable Causes account (except monies advanced for, and expenditures in connection with, administrative expenses) must be disbursed ***only in the names of the recipients designated*** in the minutes of the meeting of the chapter executive board (except, where appropriate, a check may be made out to a supplier for equipment donated to a charitable organization). Chapters maintaining centralized records and bank accounts for subordinate units must disburse funds directly to recipients (or to suppliers) designated by the subordinate unit and approved by the respective chapter/council/club executive board.

Receipts should be obtain for distributions or maintain detailed distribution summaries by date, recipient name and amount. Records should be kept to support annual tax returns.

These records should be retained for 7 years. Executive Boards, in administering funds held in the Charitable Causes account, must document in their minutes of meetings the approval of donations and expenses for ongoing charitable projects.

The executive board should also exercise prudence in determining the amount of money that can accumulate in the fund and the amount of time that elapses before this money is distributed. It is not anticipated that a large amount of money will be accumulated in this reserve unless a particularly large project is under way. The money should be used for charitable purposes in a reasonable time frame, and interim investments must be relatively liquid and safeguard the principal amount.

SIGNIFICANT REASSIGNMENT OF MEMBERS

On occasion, realignments occur in the Pioneer organization that results in the reassignment of members from one chapter to another. When this happens, chapter assets are transferred in proportion to the total population shifted. TelecomPioneers Headquarters Finance Department will provide assistance and oversight in these situations. In this, as in most financial transactions, common sense prevails. All transactions should be clearly documented.

PIONEER RECORD-KEEPING METHODS

To maintain uniformity, all chapters, councils and clubs **must use the cash basis of accounting.** Cash-based accounting meets the needs of the Pioneer units and, in addition, is manageable by managers/treasurers with little or no accounting background.

Cash-based accounting means that financial occurrences are recorded in the books of accounts only when they result in cash being received or cash being paid out. At the close of an accounting period, only those expenses that have been actually paid during the accounting period are recorded on the books. Similarly, income is recorded only in the period in which it is collected, even though it may have been earned in a previous period. In addition, it provides that no money then you can't spend.

There are two very good reasons for using the cash basis of accounting. First and most important, it is a much simpler method than the accrual accounting system. Since all Pioneer transactions are conducted in cash, there is no need to keep such records as accounts payable, accounts receivable and depreciation. Second, the Association must prepare a group return for the IRS on Form 990, making a uniform method for reporting receipts and payments across the Pioneer organization mandatory. In short, keeping accurate financial records aids in determining the organization's adherence to tax exemption qualifications and its economic well being.

DESCRIPTION OF ACCOUNTING FORMS

Form TelecomPioneers, Activity Report

The chairperson of an activity committee prepares the Activity Report at the conclusion of every activity sponsored by a chapter or subordinate unit. This report describes all the financial transactions resulting from the activity and serves to provide:

- Documentation for entries to the financial records
- Documentation for an audit and
- Backup information for tax returns and an aid in planning future activities.

The TelecomPioneers-Activity Report form should indicate the following:

- Name of the sponsoring organization
- Date of the activity and
- Details of attendance, receipts and disbursements.

The "Advance" section is for the treasurer's use.

Form TelecomPioneers-Expense Voucher

The TelecomPioneers-Expense Voucher is a record of the bills pending or bills already paid for which a reimbursement is claimed. This report is used by chapter, council and club managers/treasurers.

The nature of each expense must be described so the accountant/treasurer can easily record it under the appropriate account classification. The purpose of the expense must also be identified on the form; copies of the bills or receipts must be attached to the voucher.

Expense vouchers must be certified "correct" by the person who submits them and knows they are authentic. The president or vice president of the respective unit must then approve them. If the president or vice president is not available to approve vouchers, the immediate past president or a person specifically designated by the executive board and documented in the unit's minutes may approve. The accountant/treasurer will then reimburse the vouchers, if this is required, or pay the bill. In any case, the accountant/treasurer will indicate the check number on the voucher as well as the account on which the check is drawn.

No vouchers should be reimbursed or bills paid until all appropriate certification and approval signatures are present. Rubber stamp signatures or "blank, pre-signed vouchers are not permissible and should be rejected.

Form TelecomPioneers - Request for Advance

Chapters may advance funds to subordinate unit treasurers and activities chairpersons (usually not more than \$200) with the approval of the unit president (vice president or immediate past president in the absence of the president). TelecomPioneers-Request for Advance is used to make these advances. Pioneers may also use Request for Advance to approve advances to Pioneer members for fellowship activities. Advances should be repaid or reconciled on vouchers within 30 days.

NOTE: Transactions should be handled by check, not cash, whenever possible.

TelecomPioneers- Reconciliation of Checkbook Records with Bank Statements

This form is self-explanatory and many bank statements contain a similar form pre-printed on the reverse side. Bank, savings and/or investment statements should be reconciled on a monthly basis, with copies of transaction forms (cancelled checks, deposit slips, etc.) retained and filed with the statement. (It would be helpful to keep a file of void checks on hand to assist in reconciling.)

TelecomPioneers - Annual Chapter Report, Balance Sheet and Expense Statement

These report contain financial data required by the IRS from each chapter on an annual basis. It is used by the Association in preparing a group return for all chapters (Form 990, Return of Organization Exempt from Income Tax).

The data in this report must be a consolidation of the chapter and all of its subsidiary units (councils, clubs and Life Member clubs).

The source of data for this report is the Income and Expense Statement and Balance Sheet. The TelecomPioneers-Annual Report must be returned to the Association Finance Department by **March 1st**, so data may be consolidated and reported on or before April 15th.

TelecomPioneers - Income and Expense Statement and Balance Sheet

These forms are a monthly summary of the receipts and disbursements of the organization and a statement of financial position.

The data in these report must be a consolidation of the chapter and all of its subsidiary units (councils, clubs and Life Member clubs). This is the source document in preparation of the TelecomPioneers - Annual Report. Monthly preparation of the TelecomPioneers – Income and Expense Statement is imperative to summarize accurately the financial position of the chapter or subordinate unit.

TelecomPioneers - Receipt for Contributions

This receipt should be issued to all contributors for the amount of the contribution (over \$25) or for any amount if requested by the giver, which is placed in the Charitable Causes account. In addition, a copy the receipt and a copy of the givers check must be sent to the Association Headquarters Finance Department, if the donation is for \$250 or more.

TECHNIQUES FOR RECORD KEEPING

Executive Board Minutes

These are your single most important document. Minutes should be written for all meetings, conference calls and/or e-mail decisions and signed by the appropriate officers. Copies of all minutes for the chapter and all sub-units (councils, clubs) should be submitted to the Treasurer or Pioneer Accounting Center (wherever the books and records are kept). They will be reviewed at the time of audit.

Monthly Income and Expense Report

This subsection provides some useful hints to help Pioneer financial officers complete TelecomPioneers - Income and Expense Report, the monthly financial summary.

Pioneer treasurers/accountants of subordinate units who maintain their own checking accounts must prepare Income and Expense Report on a monthly basis and send these to the chapter and subordinate unit officers. The Income and Expense Report summarizes receipts, disbursements and net gain or loss figures for the organization. data for these summaries will be taken from books of accounts (accounting software).

The income and expense sections of Income and Expense Report are designed so as to require no supplementary forms. Support for entries would be from TelecomPioneers- Activity Report; TelecomPioneers - Expense Voucher; TelecomPioneers - Request for Advance; etc. For total-to-date figures for each account it is necessary to add together figures from the end of the previous month. To determine net gain/loss, the total monthly disbursements are subtracted from the total monthly receipts.

Monthly Balance Sheet

After the monthly income and expense reports portion of the TelecomPioneers- Income & Expense Statement is prepared, the Balance Sheet sections must be updated to determine the current financial position of the organization. Changes that were transacted for the accounts during the current month will be posted in the income and expense statement. Totals for this data must also be posted of the asset account balance sheet.

The "Total Net Worth" section of the balance sheet will be updated with the net gain/loss figure from the income statement. This is the difference between total income on the income statement and total expenses for the period.

Bank Accounts

All Pioneer units must use the employer identification number (EIN) assigned by the IRS (#16-1634095) on all bank/investment accounts under its control. The use of personal accounts/social security numbers or incorrect EINs can trigger an audit by the IRS and subject the individual to payment of income tax on the interest earnings of the chapter.

ACCOUNT CLASSIFICATION NUMBERS

Because of the hundreds of units involved in financial record keeping for the TelecomPioneers, a uniform method must be used to maintain and communicate data required for accounts, records, reports and tax returns throughout the Association. The account classification numbers provide a uniform system for all Pioneer organizations.

Receipts and Deposits

Receipts will generally be in the form of cash and checks from dues, fees, proceeds from fund-raising activities and from contributions. For security purposes, funds should be deposited in a bank or credit union as soon as possible after they are received. Chapters should ideally have two bank accounts. One is used for regular business activities and the deposit of short-term funds and is designated as *TelecomPioneers, Chapter (#)*. The other account is *TelecomPioneers, Chapter, Charitable Causes Account*. **ALL BANK CHECKING, SAVINGS AND INVESTMENT ACCOUNTS MUST HAVE AT LEAST TWO DIFFERENT PERSONS THAT CAN SIGN ON THE ACCOUNT** (this does not mean two signatures required on checks.) It is recommended that the Chapter President and/or Treasurer also be permitted to sign on all sub-unit accounts on an emergency basis.

While there is no legal requirement to maintain separate bank accounts, the IRS and the Association would prefer separate accounts. Councils, clubs and Life Member clubs may have bank accounts in the name of the *TelecomPioneers, Chapter (#) (name of subordinate unit)* for regular business activities but only with the approval of the chapter executive board. The Association's tax-identification number (above) must be used on all bank accounts that subsidiary council, club, and Life Member clubs maintain.

Subsidiary council, club and Life Member clubs maintaining separate bank accounts must also maintain the supporting records required by their chapters. Bank statements, cancelled checks, checkbooks and savings account passbooks should be kept for the purposes of completing TelecomPioneers-Annual Report for tax reporting. Generally speaking, it is desirable to maintain funds at the chapter level, especially funds reserved for charitable causes.

NOTE: The executive board is ultimately responsible for all accounts and funds within the chapter. Sub-units must provide detailed and accurate accounting information to the chapter accountant/Treasurer on a timely basis each month. If sub-units do not comply with this, the chapter president/executive board has the authority to revoke the unit's separate bank account privileges.

Receipts from activities run by chapters should be deposited in the chapter bank account, and any disbursements in connection with the activity should be paid by check from the same account.

Subordinate units which have activities and maintain their own bank accounts should also deposit the receipts as soon as possible and pay expenses by checks drawn on the same account. When the subordinate unit sponsoring the activity has no bank account, the Chapter accountant/Treasurer should be given all receipts and approved expense bills that require payment.

Immediately after an activity is over, the chairperson of the activity committee will prepare Form TelecomPioneers-Activity Report, in duplicate. This will show the nature of the activity, cash advances, participant figures, gross receipts and gross expenses. The president (or in his/her absence the vice president or immediate past president of the respective unit) should then review and, if appropriate, approve Activity Report. The original copy of the Activity Report will be forwarded to the Chapter accountant/Treasurer and a duplicate will be kept in the president's file.

REVIEWING AND APPROVING EXPENDITURES

Before bills are presented to the accountant or treasurer of the chapter or subordinate unit for payment, each bill should be reviewed to see that the following conditions are met:

1. It is a legitimate/approved Pioneer expense.
2. The creditor's name and address are furnished; the details are explicit, and the bill is dated.
3. An original receipt is provided for all payments of \$25 or more.
4. It has not been previously paid.
5. If the receipt/invoice is a carbon copy or is marked duplicate, the reviewer should make sure that the original has not been paid.
6. If the original is not available, an explanation by the preparer should be noted on a copy of the receipt/invoice.
7. It shows all amounts in detail.
8. Invoices showing unpaid balance or bill rendered should not be accepted in order to avoid paying for the same item or service twice. However, an invoice showing a previous deposit and a balance still not paid (such as a deposit for reserving a hall) is acceptable.
9. It contains a clear and detailed itemization of the goods and/or services rendered.
10. The arithmetic on the receipt/invoice is correct.
11. If alterations have to be made on a receipt/invoice, the incorrect figures are ruled out (not erased or obliterated), and corrections are made clearly. (Corrections should be signed by the person authorized to approve the receipt/invoice. If the correction has increased the amount of the receipt/invoice, the approval should show the specific amount of the increase.)
12. Receipts/invoices originating in subordinate units have been certified correct by the person who knows they are authentic. The receipts/invoices are then reviewed and approved by the chapter's president or vice president. In the event either of these two officers is not available, the immediate past president, secretary of subordinate units, or a person specifically designated by the chapter executive board and documented in its minutes may approve.

PIONEER PARTNER EXPENSES

The expenses of the Partner of any Pioneer who is required to attend a Pioneer function in an official capacity (for example, an exhibitor, committee chairperson or project leader) shall be

reimbursed by the Pioneer organization. Such individuals may be at the Association, region, chapter or subordinate unit level. This policy applies during the meetings listed below:

- Association annual meeting
- Association Board of Directors
- Regional business and training
- Chapter business and training and
- Other Pioneer functions which Partners are required to attend.

Reimbursement for a Partner's attendance at social functions, such as dinner dances, is not recommended unless the officer (or other Pioneer representative) is attending in an official capacity.

Reimbursement of Partner expenses will be made by the Pioneer organization, provided:

- Partners are expected to be present at such meetings or functions and
- Partners participate in the business sessions at conferences and meetings, including seminars.

The appropriate branch of the Pioneer organization (i.e., Association headquarters, the Pioneer chapter or subordinate unit) shall make reimbursement.

Company officers and other management personnel who attend Pioneer meetings as a function of their job should follow their company's time off and expense policies.

Whenever questions regarding the expenses of a Partner are not covered by the Association's policy, an agreement shall be reached by the companies involved and the Pioneer chapter to establish special guidelines covering such a situation. This includes procedures for processing vouchers covering Partner expenses.

It is recommended that the chapter president and treasurer approve all Pioneer vouchers covering Partner expenses.

Reimbursements should not exceed amounts reasonable and prudent, either individually or in the aggregate, relative to the physical location of the event.

DISBURSEMENTS

Approved receipts/invoices and expense forms are required in order to disburse any money from the bank account of the chapter or subordinate unit. All receipts/invoices that need to be paid or reimbursed should be listed on TelecomPioneers - Expense Voucher.

Monies that are deposited in the Charitable account, together with all earnings from charitable functions, can be withdrawn only on the authority of the chapter executive board (which must be documented in the minutes of its meetings) and can be used only for religious, charitable, scientific, literary or educational purposes, or for the prevention of cruelty to children or animals (including advances and reasonable administration costs directly connected thereto). Checks drawn on chapter bank accounts or withdrawal slips from savings accounts should be signed by the Pioneer President or Treasurer or, in his/her absence, by the vice president, immediate past

president or an individual specifically designated by the executive board and documented as such in its minutes. It is recommended that amounts in excess of \$5000 should have two signatures on the Expense Voucher.

In subordinate units, checks or withdrawal slips should be signed by the treasurer or in the absence of the treasurer by the president, vice president or immediate past president of that unit. Checks or withdrawal slips must **not** be signed by the same officers who approved the expenditure or withdrawal or by a member of the person's family.

Pioneer accountants and treasurers of all units should be certain that signature authorization cards for persons authorized to make deposits and withdrawals are on file with their respective banks and updated regularly.

Before drawing checks in payment of receipts/invoices, Pioneer accountants/treasurers should satisfy themselves that these bills have been carefully reviewed, signed and approved as correct by duly elected or delegated officers. Every receipt/invoice that is paid should include the following:

- Account classification code for the account to be charged
- Check number and
- Date of payment.

Pioneer accountants and treasurers will reconcile bank statements with checkbooks and rectify any discrepancies with respective banks on a monthly basis. **Any unusual or suspicious circumstances about disbursements or authorizations for payment should be brought to the attention of the Association Executive Director & Chief - Executive Officer or Association Treasurer immediately.** If a situation warrants investigation, the services of the corporate security unit of the sponsor company for the group should be solicited and the Association office alerted.

ADVANCES AND EXPENSE VOUCHERS

Pioneer accountants/treasurers, with the approval of their chapter presidents, may advance funds to subordinate unit treasurers or activity chairpersons. Such advances should be made for short periods of time, normally not more than a month, and must be for Pioneer purposes only. Advances may be made for fellowship, community service, business meetings and other activities.

Members being reimbursed for the use of personal funds may not approve their own expense forms but must have their vouchers approved by their unit president, vice president or immediate past president.

Requests for advances will be originated on TelecomPioneers- Request for Advance, approved by the president (or in his/her absence by the vice president or immediate past president) and then presented to the Pioneer accountant/treasurer, who will issue the funds. Use of funds should be accounted for on TelecomPioneers-Activity Report or TelecomPioneers-Expense Voucher, or returned in whole to the Pioneer accountant/treasurer. The Pioneer accountant/treasurer will issue and sign TelecomPioneers - Cash Receipt, for funds returned directly. If an advance is not repaid within a reasonable time, usually 30 days, the Pioneer accountant/treasurer should contact the

recipient to request payment. If there is no logical explanation for the delay, the president should be informed of the situation immediately for follow-up contact.

TelecomPioneers - Expense Voucher, should be used for two purposes:

- To describe and itemize the details of expenditures for receipts/invoices sent to the Pioneer accountant/treasurer for payment (used by subordinate unit treasurers or Pioneer) and
- To describe and itemize the details of expenditures made on behalf of the Pioneers and paid for by personal funds for which reimbursement is requested (used by the activity chairperson or Pioneer member).

Expense Voucher forms should be prepared in duplicate. The original will be submitted to the Pioneer accountant/treasurer accompanied by receipts/invoices to be paid. The preparer will keep the duplicate.

Special attention should be paid to the following details when preparing vouchers:

1. Attach the original receipts/invoices.
2. Include the following data:
 - Name of the chapter (or sub-unit)
 - Date
 - Nature of the activity
 - Account classification (in the heading of the form)
 - An itemized description of the goods or services and the number, unit price, hourly rate and total amount for each item
 - Date approved by the executive board (disbursements from restricted account).
3. Check the arithmetic for each item described; compute and indicate the total for the voucher.
4. Any modification of the voucher needs to be initialed by the preparer.

DISASTER FUNDS

Occasionally, just after a major disaster, the local chapter will find itself the center of activity for Pioneers and telecommunications people from all over the United States and Canada who will volunteer both financial and material aid to the unfortunate victims of the catastrophe. Chapters should be guided by the section on Procedures for Handling a Major Disaster, which outlines basic policy, organizations, emergency funds, and responsibilities under such circumstances.

Often the aid is in the form of financial contributions, which can grow into significant amounts. The local chapter accountant/treasurer coordinating the disaster relief effort should immediately open a checking account that is separate and distinct from the regular chapter account and designate this as the *TelecomPioneers, (#) Chapter Disaster Fund*. Funds should not be deposited in savings accounts since they should be spent, not saved. Interest income earned on this account becomes part of it.

When a chapter raises funds that will be forwarded to another chapter directly involved in the relief effort, the chapter raising the funds may record the funds raised in any required fund-raising

reports to the Association headquarters. However, there will be no bottom line effect on the chapter's books as all dollars received will be disbursed (total in = total out).

The chapter coordinating the disaster relief must record all related funds received on its books as contributions, not as fund raising. (See also the section on Procedures for Fund Raising.)

Summary forms for receipts and disbursements described above should be used to record details of donor and recipient contributions and expenditures. After disaster relief activities have ended, all records should be audited by the chapter audit committee.

FEDERAL TAX RETURNS

Form 990, Return of Organization Exempt from Income Tax

Each year, the Association headquarters files return for the entire corporation with the IRS on Form 990. To do this, certain financial information is needed from each chapter on TelecomPioneers-Annual Report as of December 31. This data is then consolidated by the Association Finance department.

The data for the **TelecomPioneers- Annual Report** is a consolidation by each chapter of all its subsidiary units (councils, clubs and Life Member clubs). Since Form 990 must be filed with the IRS on or before April 15th each year, the TelecomPioneers- Annual Report should be returned to the Association as soon after December 31 as possible, but not later than **March 1st**. to allow time for review, consolidation and preparation of Form 990.

Form 990T, Exempt Organization Business Income Tax Return

The Association may also need to file a Form 990T. The 990T return requires the reporting of unrelated trade or business gross income. This is taxable income and a tax liability owed to the United States Treasury Department.

The term unrelated trade or business means any regularly carried on trade or business conducted in a way that is not related to the charitable functions constituting the basis of the organization's tax exemption. Unrelated business income and how to avoid it is discussed in depth in the section on Procedures for Fund Raising. Any Chapter or sub unit that is involved in receiving Unrelated Business Income will be directly responsible for paying any and all income taxes that are charged.

RETENTION OF RECORDS

Chapters are required by law to keep records for as long as their contents may be needed to substantiate tax returns. Records that support an item of income or a deduction appearing on a return must be kept until the statute of limitations for the return expires. Usually, this is three years from the date the return was due or filed or two years from the date the tax was paid, whichever occurs later. It is suggested that the following records be retained for 7 years:

- Cancelled checks
- Bank statements
- TelecomPioneers-Activity Report
- TelecomPioneers-Expense Voucher

- TelecomPioneers-Request for Advance
- TelecomPioneers-Cash Receipt
- TelecomPioneers-Reconciliation of Checkbook Records with Bank Statement
- TelecomPioneers- Annual Chapter Report, Balance Sheet, Income and Expense Statement

BUDGETS

It is extremely important that all units (chapters, councils and clubs) develop an operating budget for each Pioneer Year. This can be a suggested budget by the outgoing E-Board or a completely newly formed budget by the new Officers at their first meeting. A copy of the Final Approved Budget should be attached and made a part of the Minutes of that meeting. The Budget can then serve as a “blanket approval” of expenditures per line item up to the maximum budgeted. If it becomes necessary to spend more than budget line items on projects or functions, then Board approval of the excess **MUST** occur **PRIOR** to the extra expenditure. Each budget should also give an estimate of fundraising projects and the amounts of income expected.

Every subunit (council or club) should submit an informational copy of their approved Annual Budget to the Chapter. The chapter needs to accumulate all items of income and expenses from subunits as well as its own operations for TelecomPioneers – Annual Reports and final audit of chapters. The chapter is the lowest level of reporting to the IRS.

**TelecomPioneers Accounting
STANDARD CHART OF ACCOUNTS**

INCOME		
OLD	NEW	Name of Account
3.1-100	4060	Membership Dues
3.1-201	4030	General Contributions
3.1-202	4070	Sponsor Contributions
3.1-203	4030	General Contributions
3.1-301	4050	Interest and Dividend Income
3.1-401	6040	Membership Dev/Retention
3.1-402	5010	Sales of Donated Goods
3.1-403	5020	Sales of Purchased Goods
3.1-405	4020	Fundraising
3.1-407	6040	Membership Dev/Retention
3.1-408	6020	Business Meetings
3.1-409	4010	Donor Directed Funds
3.1-409	4040	Grants and Awards
3.1-502	4080	Realized Gains/Losses on Inv
3.1-502	7010	Other Income

INCOME		
NEW	OLD	Name of Account
4010	3.1-409	Donor Directed Funds
4020	3.1-405	Fundraising
4030	3.1-201	General Contributions
4030	3.1-203	General Contributions
4040	3.1-409	Grants and Awards
4050	3.1-301	Interest and Dividend Income
4060	3.1-100	Membership Dues
4070	3.1-202	Sponsor Contributions
4080	3.1-502	Realized Gains/Losses on Inv
5010	3.1-402	Sales of Donated Goods
5020	3.1-403	Sales of Purchased Goods
5030		Cost of Goods (Store Inv)
7010	3.1-502	Other Income

EXPENSE		
OLD	NEW	Name of Account
3.1-601	6040	Membership Dev/Retention
3.1-602	6019	Purchases Expense
3.1-603	6019	Purchases Expense
3.1-605	6014	Fundraising Expense

EXPENSE		
OLD	NEW	Name of Account
6011	3.1-806	Bank Service Charges and Fees
6012	3.1-804	Communications
6013		Depreciation Expense
6014	3.1-605	Fundraising Expense
6015	3.1-801	Office Supplies & Equipment
6015	3.1-804	Office Supplies & Equipment
6016	3.1-802	Postage/Shipping

3.1-606			6017		Professional Fees
3.1-607	6040	Membership Dev/Retention	6018	3.1-803	Publications
3.1-608	6020	Business Meetings	6019	3.1-602	Purchases Expense
3.1-609	6030	Donation Expense	6019	3.1-603	Purchases Expense
3.1-609	6050	Projects and Programs	6020	3.1-608	Business Meetings
3.1-700	4060	Membership Dues	6021	3.1-608	Group Meetings
3.1-801	6015	Office Supplies & Equipment	6022	3.1-608	National Meetings
3.1-802	6016	Postage/Shipping	6023	3.1-608	Training
3.1-803	6018	Publications	6024	3.1-608	Unit Meetings
3.1-804	6015	Office Supplies & Equipment	6025	3.1-608	Key Operating Committee Mtgs
3.1-804	6012	Communications	6030	3.1-609	Donation Expense
3.1-805			6031	3.1-609	Disaster Relief
3.1-806	6011	Bank Service Charges and Fees	6032	3.1-609	Memorials
3.1-900			6033	3.1-609	Special Causes
3.1-901	7020	Other Expenses	6040	401, 601	Membership Dev/Retention
			6040	407, 607	Membership Dev/Retention
			6041	407,607,401,601	Life Members
			6042	407,607,401,601	Regular Members
			6050	3.1-609	Projects and Programs
			6051	3.1-609	Educational
			6052	3.1-609	Environmental
			6053	3.1-609	Health and Human Services
			6054	3.1-609	Scholarships
			6055	3.1-609	Other Projects and Programs
			7020	3.1-901	Other Expenses

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TelecomPioneers

CHAPTER NAME: _____
Pioneer Finance Voucher

<p>I. <u>TO BE COMPLETED FOR EXPENSES ONLY</u></p> <p style="text-align: center;"># _____</p> <p>1. PAYEE: _____ _____</p> <p>2. MAIL TO _____ _____</p> <p>3. ADDRESS _____ _____</p> <p>4. CITY, STATE, ZIP _____ _____</p>	<p>5. UNIT NAME _____</p> <p>6. DATE _____</p> <p>7. VOUCHER # (Optional) _____</p> <p>8. AMOUNT _____</p> <p>9. TREASURER SIGNATURE _____</p>
<p>II. \$ _____ 3010 Designated Funds (Restricted) 10. \$ _____ 3020 General Funds (Unrestricted)</p>	
<p>III. 4000 INCOME</p> <p>_____ 4010 Donor Directed Funds</p> <p>_____ 4020 Fundraising</p> <p>_____ 4030 General Contributions</p> <p>_____ 4040 Grants and Awards</p> <p>_____ 4050 Interest and Dividend Income</p> <p>_____ 4060 Membership Dues</p> <p>_____ 4070 Sponsor Contributions</p> <p>_____ 4080 Realized Gains/Losses on Investment Committee Meetings</p> <p>5000 SALES</p> <p>_____ 5010 Sales of Donated Goods</p> <p>_____ 5020 Sales of Purchased or Produced Goods</p> <p>_____ 5030 Cost of Goods Development & Retention</p> <p>6000 EXPENSE</p> <p>_____ 6010 Administrative & Office Expense</p> <p>_____ 6011 Bank Service Chg & Fees</p> <p>_____ 6012 Communications</p> <p>_____ 6013 Depreciation Expense</p> <p>Services</p> <p>_____ 6014 Fundraising Expense</p> <p>_____ 6015 Office Supplies & Equipment</p> <p>_____ 6016 Postage/Shipping</p> <p>EXPENSE</p> <p>_____ 6017 Professional Fees</p>	<p>11. EXPENSE (cont'd)</p> <p>_____ 6018 Publications</p> <p>_____ 6019 Purchases Expense</p> <p>_____ 6020 Business Meetings</p> <p>_____ 6021 Group Meetings</p> <p>_____ 6022 National Meetings</p> <p>_____ 6023 Training</p> <p>_____ 6024 Unit Meetings</p> <p>_____ 6025 Key Operating</p> <p>_____ 6030 Donation Expense</p> <p>_____ 6031 Disaster Relief</p> <p>_____ 6032 Memorials</p> <p>_____ 6033 Special Causes</p> <p>_____ 6040 Membership</p> <p>_____ 6041 Life Members</p> <p>_____ 6042 Regular Members</p> <p>_____ 6050 Projects and Programs</p> <p>_____ 6051 Educational</p> <p>_____ 6052 Environmental</p> <p>_____ 6053 Health and Human</p> <p>_____ 6054 Scholarships</p> <p>_____ 6055 Other</p> <p>7000 OTHER INCOME AND</p> <p>_____ 7010 Income</p> <p>_____ 7020 Expense</p>

IV. ADVANCE CLEARING**

12. AMOUNT OF ADVANCE _____ 14. AMOUNT RETURNED _____
 13. AMOUNT SPENT _____ 15. AMOUNT DUE _____

(RECEIPTS MUST BE ATTACHED)

** ADVANCES MUST BE CLEARED WITHIN TWO WEEKS OF THE EVENT

V.

16. EXPLANATION OF ATTACHED BILL OR RECEIPTS

17. PREPARED BY _____ 18. APPROVED _____

PHONE (_____) _____ TITLE _____

VI. 19. FORWARD TO: PIONEER ACCOUNTING CENTER (PAC)
 308 S. AKARD, ROOM 1015 FAX NUMBER: 214-464-5231 OR
 DALLAS, TEXAS 75202 FAX NUMBER: 1-888-477-3351

Instructions for Completing Finance Vouchers

EXPENSES

Section I

1. Person or Company check is made payable to
2. Complete if check is mailed to other than payee
3. Complete street address - include Street, Road, Drive, etc.
4. Complete fully . . . include ZIP CODE
5. Show name of unit
6. Date voucher is prepared
7. Number is provided by Unit Treasurer (numbering is not necessary for chapter expenses)
8. Total amount to be paid
9. Signature of Unit Treasurer

Section II

10. Indicate monetary amount and the account - Designated Funds (restricted) or General Funds /unrestricted)

Section III

11. Select the proper expense category. This is not a necessary category when requesting an advance . . . see Section IV

NOTE: Expenses for Designated and General CANNOT be on the same voucher - use separate vouchers

Section IV

12. Amount for original advance
13. Amount spent (receipts for all expenses MUST be attached) Select proper category from Section III

14. Amount of any unused moneys
15. If additional expenses are incurred

Section V

16. Explain fully what expenses are for - type, date and location of meeting or socials; type of fund raising event; what articles are involved for sale/purchased items, etc.
17. Signature and phone number of person preparing voucher
18. Signature of Unit President or authorized individual

Section VI

19. After ALL areas are complete forward to Pioneer Accounting Center (PAC)

INCOME/DEPOSIT/RECEIPTS

Section I

5. Unit name
6. Date voucher prepared
7. Number is provided by Unit Treasurer (numbering is not necessary for chapter expenses)
8. Total amount received
9. Signature of Unit Treasurer

Section II

10. Indicate monetary amount and account - Designated Funds (restricted) or General Funds /unrestricted). For deposit (receipts for designated/general funds CAN be shown on the same voucher - show total amounts for each account

Section III

11. Select the proper receipt category. If more than one category is involved, show the amount of money on the respective lines

Section V

16. Explain fully what receipts are for - type of fund raising, social, sales, etc.
17. Signature and phone number of person preparing voucher

Section VI

19. After ALL areas are complete, forward to Pioneer Accounting Center

TelecomPioneers

SAMPLE RECEIPT FOR CONTRIBUTIONS

Received of _____, \$ _____ as a
contribution to the _____ Chapter, Charitable
Causes account. Thank you for your interest and support.

Date

Pioneer Representative

Contributions are tax-deductible for individual donors under Section 170(c) (4) of the Internal Revenue Code.



TelecomPioneers
P.O.Box 13888
Denver, CO 80201-3888
EIN# 16-1634095
501 (C) (3) Corporation

RECEIPT FOR NON CASH CHARITABLE CONTRIBUTIONS

Received of _____, an estimated value of
\$ _____ in non-cash contributions to the
Chapter/Council/Club.

Description of items donated:

Thank you for your interest and support.

Date _____ Pioneer Representative

Contributions are tax-deductible for individual donors under Section 170(c)(2) of the Internal Revenue Code of 1986.

These donations shall be used only for Chapter's Charitable Causes.

Contribution consisted of items marked:

Clothing _____ Furniture _____ Misc. Items _____

All items donated to Telecom Pioneers are deductible for income tax purposes at their present market value. Internal Revenue code places the responsibility for estimating value upon the donor rather than the agency receiving the gift.

