WORKBOOK

INSTRUCTIONS FOR THE **INCOME SECTION** OF THE

ANNUAL FINANCIAL REPORT

**NOTE:** Help is available through the AAZK Administrative Office via email at [Ed.Hansen@aazk.org](Ed.Hansen%40aazk.org). Additional Resources are also available through the AAZKK Resource Committee at [ARC@aazk.org](ARC%40aazk.org)

**Line A:** This should be the total bank balance (from all your accounts) and any petty cash that you had on hand at the end of last year.

**INCOME DETAILS**

**Line 1:** Does your Chapter charge local membership dues? If so, multiply membership dues by number of Chapter members and enter on Line 1.

**Line 2:** If your Chapter collects Chapter Member’s National dues and sends one check or money order to AAZK, enter the total amount collected and enter figure on Line 2.

**Line 3:** If your Chapter has/is hosting a National or Regional AAZK Conference, a separate budget sheet must be attached listing any income. Enter the income figure on line 3.

**Line 4.** Did your Chapter accrue any interest from its bank accounts? Enter interest income from all accounts on Line 5.

**Line 5**. On Line 5, list the income received from all Chapter fundraisers, including BFR or Trees for You and Me. Examples would also include Car Wash, Dog Wash, Raffles, Reverse Raffles, Bake Sales, Photo Booths, sale of merchandise for profit at an event.

Chapter fundraising income is detailed in **Section 3** of the AAZK Income/Expenses Worksheet and Chapter Report.

**Line 6.** Did your Chapter receive any monetary gifts in the past fiscal year (cash donations, money for travel, etc.)? Enter donation income on Line 7.

Donation income is detailed in **Section 4** of the AAZK Chapter Income/Expenses Financial Worksheet and Chapter Report.

**Line B:** This is your **Total Chapter Income** for the calendar/fiscal year. IRS Income Tax Form 990EZ is mandatory due to the 501 (c) (3) tax status of AAZK, Inc., for Chapters that *average* over $50,000 in Gross Receipts (income) during the three (3) most recent tax years. Reference AD 8.02-9 IRS990 to take the Gross Receipts Test.

INSTRUCTIONS FOR THE **EXPENSE** SECTION

OF THE ANNUAL FINANCIAL REPORT

**Line C:** Forwarded from Line B

**EXPENSE DETAILS**

**Line 7:** For Chapters that collect Chapter Member's National dues and send one check to Administrative Offices (see Income, Line 2), the amount on line 2 should be included in the total on line 11. Any costs for money orders, etc. for this service should be entered here also. For Canadian chapters, cost of money orders and U.S. exchange rate loss should be entered here.

**Line 8:** List monies spent on stationery, flyers, etc., and advertising.

**Line 9:** List monies spent on check printing or account service charges.

**Line 10:** Did your chapter make cash contributions to AAZK, Facility, Society, Education Department, your community, Conservation organization or Charity?

Donation expenses are be detailed in Section 5 of the Chapter Income/Expenses Worksheet and AAZK Chapter Report

**Line 11:** List total expenses for all conservation projects. (Supplies, maintenance)

**Line 12:** List monies spent on food and beverages for chapter meetings or other chapter functions.

**Line 13:** Enter monies spent on postage (including P.O. Box rental), phone charges, and office supplies.

**Line 14** Did your chapter purchase or have a rental agreement on any office equipment?

**Line 15:** Did your chapter provide money for members to attend a conference or continuing education seminar?

**Line 16:** AAZK Chapter Re-charter Fee paid for the ***Last* Year**.

**Line 17:** AAZK Chapter Duty Obligation paid for the ***Last* Year**.

**Line 18:** If your chapter sponsors a foreign keeper, enter membership fee.

**Line 19:** Does your chapter administer endow non-member grants (student or volunteer) on a local level?

**Line 20:** Enter any monies spent on Lawyers/legal fees.

**Line 21:** Enter any expenses spent on hosting an AAZK conference, bidding on an AAZK conference, or preparing for an AAZK conference.

**Line 22:** List any other misc. expenses not covered in lines 7-21.

**Line D:** Add lines 7-22. This is your **Total Chapter Expenses** for the calendar/fiscal year.

**Line E:** Subtract line D from line C.

**Line F:** If Line E is smaller than Line C, your Chapter realized a loss for calendar/fiscal year. Enter the figure in Column C **(loss)**. If Line E. is larger than Line C, your Chapter realized a profit during the calendar/fiscal year. Enter the figure in Column C, **Profit**.

**Line G:** Subtract your **(Loss)** from Column C or add your **Profit** to Column C to determine your **Chapter Balance for the Reporting Year.** This figure will be used for the Balance Brought Forward on the **Reporting Year** Financial Statement, Line A.

**Line 23:** Summary total of all accounts on deposit, held in the name of the Chapter.

**Line 24:** The amount of Petty Cash held and secured by the Chapter for use of day-to day expenses.

**Line 25:** Money owed to the Chapter

**Line 26:** Sum of Lines 23 through 25

**Line 27:** List all office or other real property assets and assign a Fair Market Value.

**Line 28:** List any office supplies or other small items owned by the Chapter.

**Line 29:** Sum of 31 and 32.

**Line 30:** Sum of Line 26 and 29 = Total Chapter Assets.

**Line 31:** Money the Chapter owes to another entity. (This is uncommon)

**Line 32:** Outstanding loans or debts owed by the Chapter. (This is uncommon)

**Line 33:** Sum of Lines 34 and 35.

**Line H:** Subtracting Line 33 from Line 30 determines the **Total Chapter Net Worth Statement** for the Reporting Year.

**GLOSSARY OF TERMS**

**ACCOUNTS PAYABLE**

Money that the Chapter promises or contractually is owed to a vendor, contractor or organization that has not been paid. This can be due to outstanding order, time constraints or legal dispute.

**ACCOUNTS RECEIVABLE**

This is money that is still owed to an organization. For example, if you sold 10 Chapter raffle tickets at $10.00 each at an event and were promised payment by an individual or organization, then $100.00 is still owed to the Chapter and is listed under accounts receivable.

**ADDITIONS**

These are any new assets acquired.

**ASSET**

An item of value, that is the property of the Chapter, whether in cash (liquid) or tangible (real property).

**BALANCE BROUGHT FORWARD**

This is the money that an organization has at the end of a fiscal year. It is a total of money on hand plus money in all bank accounts.

**CHAPTER NAME**

The Chapter name must match on all documents and be the official Chapter name as approved by the Board of Directors upon initial Chapter Charter. Any changes to the official Chapter name must be forwarded to the Administrative Secretary of the Association to avoid IRS confusion over reportable tax documents.

*Please note: If the Chapter wishes to change their Official Name they can do so by vote of the Chapter members. AAZK National will need an email documentation of the vote and the new Chapter Name – submitted by the Chapter President or their Representative. AAZK will confirm the new Chapter Name and file the Chapter Name Change with the Internal Revenue Service.*

**COST VALUE**

This is the value of an asset at the time you purchased it.

**CURRENT ASSETS**

These are assets that are easily movable such as cash on hand, cash in bank accounts, accounts receivable and merchandise inventory.

**DEPRECIATION**

This is the normal devaluation of an asset through time. For example, a new computer may have cost $500.00 but after a few years, it may depreciate in value to $300.00.

**DISPOSALS**

These are assets that are gotten rid of by sale, loss or discard.

**DUTY OBLIGATION**

The Duty Obligation was instituted on 1 January 2007. The Chapter is **required** to select a Duty Obligation in addition to the Chapter Re-charter Fee. Chapters may select from the options that provide a variety of financial commitments that while helping out the National Association can be selected according to the budget of the Chapter.

**EIN**

Employee Identification Number – assigned by the Federal Government to AAZK for use by subordinate Chapters. For help in locating your Chapter EIN, refer to past Re-charter Packets or contact the Administrative Offices of the Association.

**FAIR MARKET VALUE (FMV)**

This is the value of an asset at a particular point in time. For example, a computer purchased for $500.00 a number of years ago may today have a F.M.V. of $300.00 after depreciation.

**FINANCIAL STATEMENT**

A financial statement is a tax statement. It should indicate income in relation to expenses for a particular year. It indicates the NET PROFIT, not the NET WORTH, of the organization, i.e. the amount of money to be taxed if we were not of non-profit status.

**INCOME minus EXPENSES = NET PROFIT**

**FISCAL YEAR**

The AAZK Fiscal Year is identical to the Calendar year, running from 1 January to 31 December.

**FIXED ASSETS**

These are assets that are generally stationary such as office equipment (e.g. printer, computer, desk) and supplies (e.g. Stationery, envelopes).

**IRS FORM 990**

An Internal Revenue Service tax reporting mechanism that is required for all subordinate entities (Chapters) of a non-profit operation (AAZK). For Chapter earning less than $50,000.00 in income during the tax year, the Association will complete and file the IRS 990N Form on behalf of the Chapter.

For Chapters that generate over $50,000.00 in Gross Receipts (income) during a calendar/fiscal year, or whop average $50,000 in income for the previous two (2) tax years and the current tax year, the Chapter will be required to complete their own IRS 990EZ Form. Counseling and guidance in completing this Form is available from the Administrative Offices of the Association

**NET WORTH STATEMENT**

A net worth statement is not a tax statement. It is an accounting statement. Generally, it indicates what a business is worth at a particular time. One would require a net worth statement if one was buying or selling a business. The formula for net worth is as follows:

**ASSETS (current & fixed) minus LIABILITIES = NET WORTH**

**(EQUITY)**

**PETTY CASH**

Small amount of cash that is kept on-hand by the Chapter to purchase incidental items for meeting, events or fundraisers.

Revised (1/2020)