

Segregation of Duties

- In an ideal control environment, an organization would have different employees responsible for each control functions
 - Authorization function
 - Recordkeeping function
 - Reconciliation function
 - Custody function

Quid Pro Quo Contributions

• Form 990, Part V.7.

 Organizations may receive deductible contributions under section 170(c); however, when the organization provides goods or services in exchange for any quid pro quo contribution of more than \$75, they must notify the donor of the value of the goods or services provided

See also IRS Publications 526, *Charitable Contributions* for additional guidance

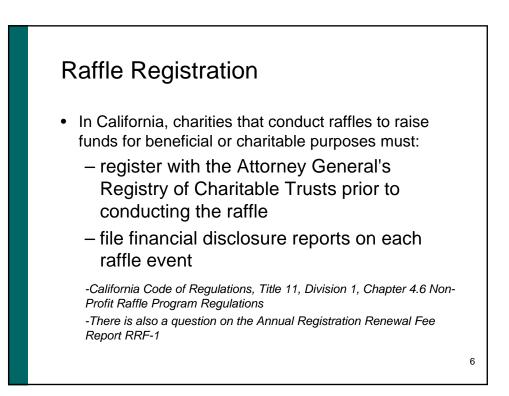
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In-kind Donations

- Donors of noncash contributions should determine the fair value (FV) of donations made to qualified organizations
- For donations in excess of \$250 or more, the organization should provide written acknowledgement to the donor that includes the description (but not the value) of the non-cash contribution

See also IRS Publications 526, *Charitable Contributions* and 561, *Determining Value of Donated Property* for additional guidance.



Investments

- Must be reflected fair value and properly record all investment income (interest, dividends, realized gains and unrealized gains). If not, could:
 - Cause the internal financial statements to be misstated, resulting in improper decisions made by the Board
 - Impair the Board's fiduciary/stewardship responsibility over the assets they are to safeguard

Net Asset Classifications – Permanently Restricted

- Changes in permanently restricted net asset primarily consists of contributions
- · A permanently restricted contribution is
 - a donor-imposed restriction that stipulates resources be maintained permanently
 - permits the organization to use up or expend part of all of the income derived from the donated assets

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Net Asset Classifications – Temporarily Restricted

- Changes in temporarily restricted net asset consist of:
 - Contributions with donor-imposed or time restrictions
 - Gains and losses of permanently restricted investments with donor-imposed restrictions
 - Net assets released to unrestricted net assets for expenses according to donorimposed restrictions

Net Asset Classifications -Unrestricted

- Is neither permanently restricted nor temporarily restricted by donors
- Activities include:
 - Revenues or investment gains from contributions that are not restricted by donors
 - Net assets released from temporarily restrictions net assets
 - Expenses by functional classification

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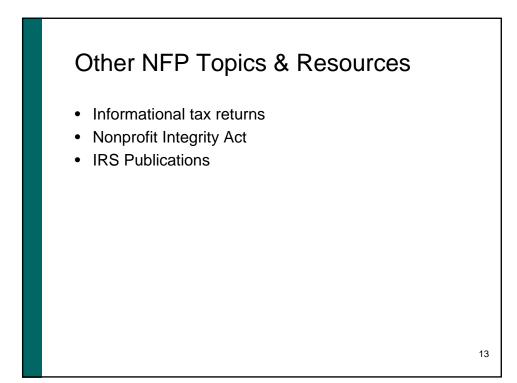


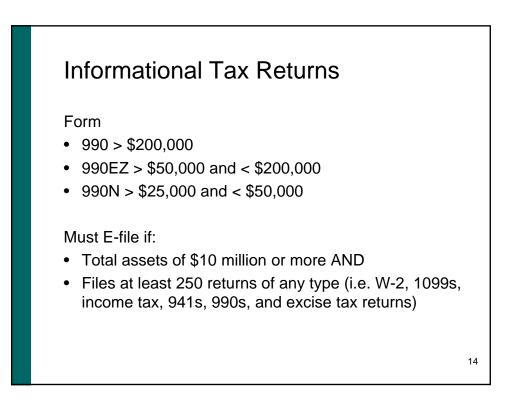
- Should be signed and discussed annually and might include topics such as:
 - appropriate conduct
 - gifts
 - confidentiality
 - fiduciary responsibility
 - conflicts of interest



Should be updated when there is a change in terms and should include:

- Background and purpose
- Type of Auxiliary (CCR § 59250 et seq. or Edu Code § 72670 et seq.)
- Use of facilities
- Use of District employees
- District oversight
- Indirect costs of Federal Awards
- Insurance
- Annual audits





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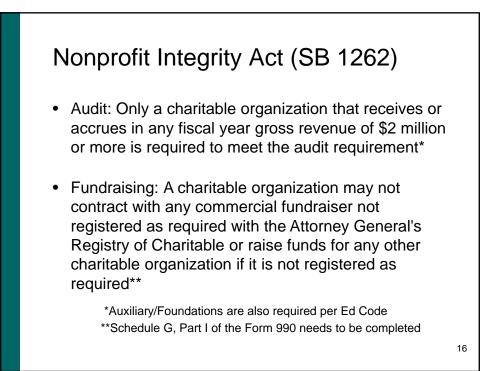


Due Dates for June 30th Organizations:

 November 15th - 15th day of the 5th month following year end

Extensions are three months from the prior deadline:

- 1st extension is February 15th
- 2nd extension is May 15th

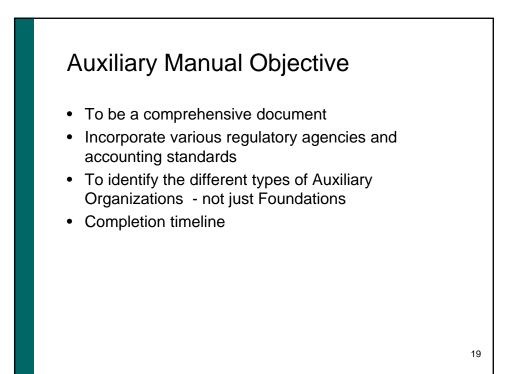


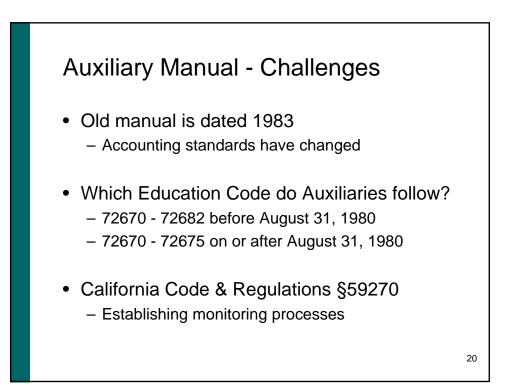
IRS Publication

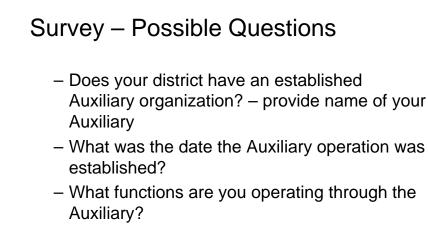
- 1771 Charitable Contributions
- 561 Determining Value of Donated Property
- 3079 Tax-Exempt Organizations & Gaming
- 4302 A Charity's Guide to Vehicle Donations
- 598 Unrelated Business Income Tax (UBIT)

Auxiliary Manual Update

- Objective of the Fiscal Standards Committee
- Challenges
- Survey







- How is your Auxiliary presented in the District's audited financial statements?
- Is your Auxiliary audited annually?

