CONVENTION TREASURER REPORT

1. Responsibilities:

The Treasurer’s duties for the Convention included assembling, adjusting and revising the budget with the cooperation of the clubs which hosted an event, deciding on the attendance numbers for the total Convention and each event, reviewing all bank transactions and statements, balancing the checking account each month, making estimates of the final profit/loss as the registrations were being received, advising the event chairmen of their income and expenses to date, maintaining the accounting records for the total Convention, writing all checks including expense reimbursements and refunds, preparing and paying Federal and State income taxes, paying Nevada sales taxes for Convention sellers and the NCRG, and preparing the final financial report for the Convention. This was all handled by one person which worked fine but depending upon each hosts personnel a second person might be advisable.

1. Use of computer:

The software programs use to handle the financial and correspondence were Quicken, Word and Excel. Quicken is a fairly easy program to use and does a respectable job keeping track of both income and expenses.

1. Banking arrangements:

We used Wells Fargo Bank because a branch was very convenient to both the Treasurer and the registration chairman and there were several branches near the Convention hotel in Reno. The account did not pay interest but there was no fee for an unlimited number of checks paid. They did charge a fee for the large cash deposits we had during the Convention but they were waived by a branch manager upon request due to the size of our account. There was also a fee to print checks but we used a third party check printer and saved a little money. In the past we had opened CD’s when the checking account got too large to earn a little additional income but the interest rates are so low now that we did not do it this time. Plus opening a CD account is much more complicated today and with our officers scattered around our area it just wasn’t worth the effort. We had a total of 3 people on the account—the Treasurer, the Convention chairman and the registration chairman.

The registration chairman received the registrations, entered the data into their record keeping program and accumulated the checks until they had 15 to 20 and then made a deposit. A breakdown by event of the deposit was sent to the treasurer for entering into the Quicken program. Cancellations or changes in registration fees were sent to the Treasurer to write checks and a cover letter as needed. We only received one check that was returned for insufficient funds and were able to resolve it without any issues.

One issue that needs to be decided is how to handle registration payments. We did not take credit cards or on-line payments so the registrants sent their completed form by e-mail or USPS to the registration chairman and then sent a check for the amount by USPS. Using a credit card is more convenient for attendees but requires setup with the bank and equipment for the Convention to handle. Also, the banks charge fees of 3-4% for handling credit cards and the Treasurer needs to consider that in the budget.

1. Budgeting

Budgeting is difficult because you don’t know the most important part of the process—how many will attend the Convention. Our process was complicated because we had 12-15 clubs from around Northern California hosting an event(s) and it was difficult for them to figure the costs in Reno and communicate them. We generally let the clubs decide their level of expenses and resolved any differences at a committee meeting. The Treasurer and the chairman decided upon the attendance for each event and budgeted the income using the unit price decided upon for the event. We included a level of profit in all the events we could but some events like fashion and car judging never bring enough money to cover their expenses.

The total expected registration for the Convention was a guess but we looked at the attendance at the last two Conventions in Washington state and Colorado and used 500 registrations. It was pretty close to the actual final registration of 534. We felt it pays to be very conservative on choosing this number because if you are too low you should always be OK financially but if you are too high, you might experience some major financial problems. The Treasurer made several financial projections as the registrations came in to be sure we were on track financially with the idea that some changes might be made to assure financial success. A copy of the final budget submitted to MAFCA is attached.

1. Registration process

The registration chairman kept track of the numbers for all events and the breakdown of each deposit by event. After a deposit that info was sent to the Treasurer to enter into the Quicken account and write refund or cancellation checks. We started the registration process in September for a June Convention and in hindsight, we should have delayed the start of registration until January 1 which still would have been adequate time.

Early in the process we refunded 100% of the registration fee to people who cancelled and about a month before the Convention, we only returned about 50% and told the people that we would consider refunding the remainder if we made a profit. It turned out that we made a sizeable profit and refunded 100% of every cancelled registration even though we had paid a supplier for their attendance.

It is imperative that a good communications channel exist between the registration chairman and the Treasurer because many issues come up regarding registration numbers and money. In our case these two people were about 100 miles apart so email was very valuable in resolving problems.

1. Activities during the Convention

The Convention was a busy time for the Treasurer as there was around $25,000 in cash generated from registration, merchandise sales, sales tax collections, event fees and the raffle. Fortunately, the hotel had a safe deposit box for our use and collections were stored there and deposited in our bank account daily. All receipts should be entered into the Quicken program as received to maintain accuracy. There also are a number of payments that need to be made for event expenses, suppliers and to the hotel and the Treasurer needs to be prepared to process these payments. We had a computer at the hotel to keep up to date with these transactions.

1. Sales Taxes

Nevada has a state sales tax and all sales at the Convention were taxable which included the fashion swap meet, the parts swap meet, the merchandise sales and MAFCA’s booth sales. The State required that the payment of all sales taxes were the responsibility of the event host, not the individual vendors, so we handled this by requiring a $50 deposit from all vendors and then either refunding or receiving an additional payment depending upon their sales total. The State supplied a sales tax return form that each vendor had to fill out and declare his/her sales total. After the Convention, the Treasurer filed all of the individual forms and paid the total taxes to the State of Nevada. Most vendors did not sell more than the $50 tax deposit so the Treasurer had to write a number of checks to them after the individual event was over.

1. Federal and State income taxes.

NCRG is a 501(C)7 tax exempt corporation and as such is required to pay income taxes on our net income from non-members. It is important to recognize that the determination of member vs. non-member is determined by the tax ID or Social security number of the registrants. NCRG has 28 clubs that pay dues as members and any registrant who was a member of one of these NCRG clubs was considered a member for tax purposes. In our case about 61% of the income was from non-members and we had to file a return and pay taxes to both agencies. We engaged a tax attorney/preparer to file and sign the returns which we believe reduces the scrutiny from both agencies and is worth the $300+- fee we paid. It is also worthwhile to note that the IRS limits the donations a 501(C)7 tax exempt corporation can make to 10% of the net non-member income.