

Business Planning Basics

State Units & Divisions

Example: Dues Distribution

John Smith of California renews full membership at \$115, joins TAM at \$30 and DISES at \$29

Total Dues Payment to CEC = \$174



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**Compliance Requirements for Annual Dues Distribution
(State Units Only)**

- Updated Bylaws
- Copy of 990 Returns
- List of Officers & Directors
- Signed Assurance Form

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Organizational Requirements

- Each Unit and Division is a separate legal entity from CEC
- Must have own 501(c)(3) organization and EIN

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Applying for 501(c)(3) Status

- Attorney assistance (pro bono? leagalzoom?)
- DIY (Do It Yourself):
 - File “Articles of Incorporation”
 - Obtain Employer Identification Number (EIN)
 - File form 1023
 - IRS will send “Determination Letter” once approved
 - Must continue to file 990 returns while awaiting approval

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Maintaining 501(c)(3) Status

- Cannot endorse or fund political candidate or organization
- May lobby in limited amount if it furthers 501(c)(3) mission
- Cannot generate excessive UBI (Unrelated Business Income)
- Keep clean and organized financial records
- Make 990 available to public upon request

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Form 990 Annual Tax Returns

- Accountant assistance (pro bono?)
- DIY (Do It Yourself):
 - Revenues > \$200K or Assets > \$500K - File full Form 990
 - Revenues < \$200K and Assets < \$500K – File Form 990-EZ
 - Revenues < \$50K – File short “postcard” Form 990-N
 - Can be filed by US Mail or Electronically (Online)
 - Due the 15th day of the 5th month following fiscal year close

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Documents to Keep On File

- Articles of Incorporation
- Bylaws
- Form 990 Returns (past 7 years)
- IRS Determination Letter
- Completed Form 1023
- Whistleblower Policy
- Conflict of Interest Policy

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Insurance

- Forrest T. Jones & Company
- Provides competitive rates for CEC, Units & Divisions
 - Directors & Officers Insurance (highly suggested)
 - Commercial & Liability Insurance
 - Convention Insurance
 - Errors & Omissions Insurance
 - Association Professional Liability Insurance

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Annual Audit

- Review of Financial and Internal Controls by Independent Agency
- Often is optional for nonprofits
- Most nonprofits opt for annual audit even if not required

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Budgeting

- Budgeting **IS** a roadmap to financial goals
- Budgeting **IS NOT** a crystal ball
- Monitoring actuals vs. budget
 - Tells a financial / operational story – where are we compared to where we want to go?
 - Pay particular attention to bottom line
 - Drill down to individual line items to determine areas of necessary adjustment or success.

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Budgeting

Council for Exception Children Year to Date Statement of Activities April 30, 2016

	YTD Actual	YTD Budget	Variance
TOTAL:			
Revenue	\$3,569,533	\$3,926,654	(\$357,121)
Expense	\$2,609,921	\$3,145,822	\$535,901
Net Surplus (Loss)	\$959,612	\$780,832	\$178,780

Business Planning Basics
Online Operations Guide

www.cec.sped.org → About Us → CEC Leadership
→ Unit and Division Leadership Resources

“Leadership Operations Guide 2017”

- Dues Collection
- 990 Information
- Resource Contacts
- More