



United Daughters of the Confederacy®
Virginia Division

To: Chapter Treasurers
From: Division Treasurer
Subject: Annual Financial Form and 990-N

October 2024

Dear Chapter Treasurer,

It is that time of year again, when you need to complete your chapter's Annual Financial Form and 990-N. Please find enclosed the Annual Financial form for 2023-2024. You will need to complete the Annual Financial form that I have enclosed this fall **and mail to me before October 31, 2024**. The period that you will be reporting on is 1 September 2023 to 31 August 2024.

ANNUAL FINANCIAL REPORT FORM INSTRUCTIONS

It is important for each Chapter to complete this form for the UDC to comply with regulations for 501(c)(3) nonprofit groups. I cannot stress how important these forms are for the UDC to comply with IRS rules. Virginia Division and the General Organization are not interested in reviewing your finances but need to have this information on file. The General Organization must report to the IRS that it has Chapter reports on file. Please do not let your Chapter be one listed as not reporting.

This form is not an IRS form and does not have to be sent to the IRS.

Employee Identification Number (EIN). As a 501(c)(3) nonprofit organization, each group within the UDC must have an EIN number for identification with the IRS. This number is also necessary to open a bank account. The IRS SS-4 form and instructions to obtain an EIN number is available on the IRS website at www.IRS.gov. Please contact me for help in obtaining or filling in the SS-4 form.

In response to questions from Treasurers, I provide some additional explanation.

All cash assets (checking and savings accounts, certificates of deposit, etc.) must be reported.

Checking Account. For example, if you simply have a checking account, the first line should have your account balance on 1 September and the last line should have your balance on 31 August of the following year. Under revenue, every deposit should be included with the amount allocated to one or more of the listed revenue categories. Under expenses, every check should be included with the amount allocated to one or more of the listed expense categories. When you are finished, your beginning balance (1 September) plus your revenues (deposits) minus your expenses (checks) should equal your ending balance (31 August). For the following year, this ending balance (31 August) will then be your beginning balance (1 September) of your next report.

Savings Account. If you have a savings account in addition to a checking account, you will add that financial information in the same manner as you did for the checking account. You may find it easier to first process the savings account by itself.

What was the balance on 1 September? What was the balance on 31 August of the following year? Allocate each deposit to one or more of the revenue categories. Allocate each withdrawal to one of the revenue categories. The 1 September balance plus the revenue categories (deposits) minus the expense categories should equal the 31 August balance. You can now add this to the information from the checking account to get to total Chapter balances on 1 September and 31 August, and the totals for each revenue and expense category.

What do you do if your savings account is simply used for long term savings, and you simply move money from checking to savings or vice versa as needed? In other words, no expense is paid directly from the savings account and no income is deposited directly into the savings account. In this situation, other than earned interest, there are no transactions to allocate to an income category or an expense category. All of the money transferred between the two accounts remains with the Chapter.

Certificate of Deposit. A certificate of deposit should be handled in the same manner as a savings account that is only used for long term savings. The value of the certificate on 1 September and 31 August are added to the balances on those dates. Any interest paid during the period would be investment income.

How do you pick a category for a particular income or expense? You may logically place an income under more than one category. For example, if you are selling something to raise money for a project, the income could be placed under Fundraising Activities. If someone donated to the project without buying an item, is this still a Fundraising Activity – or is it a Contribution? Either may be appropriate. The main point is that you should be consistent from year to year. In completing the report for the Division financial report, I find it useful to keep a list of the types of transactions that I put under each category. The list allows me to avoid relying on my memory – a very good thing. Moreover, this list will be of great assistance to your successor.

Form 990, 990-EZ, 990-N

All chapters are required to file one of the three forms, Form 990, 990-EZ or 990-N. If your Chapter income is greater than \$50,000, you must file a Form 990 or 990-EZ. An accountant should handle this for you. Most chapters have income less than \$50,000 and are required to file a Form 990-N. This is an electronic form, and it is important to file the return within the four-and-a-half-month period allowed by the IRS after the end of the fiscal year. General has passed a bylaw that any chapters who do not file the return for two consecutive years will have their charter revoked. **You must attach a copy of the accepted confirmation form from the IRS to your Annual Financial Report Form 501(c)(3), which is due to me no later than October 31. Even if you file the Form 990 or 990-EZ, you must still send a copy to the Division Treasurer.**

If you would like the Division Treasurer to file the 990-N, for your Chapter, or if you are unsure whether or not the Division Treasurer files it for you, please let me know. For those Chapters that the Division Treasurer files your 990-N, a copy of the confirmation page will be forwarded for your Chapter files.

C of C Chapters should have closed bank accounts, cancel EIN numbers associated with the C of C Chapter and report financial information through sponsoring Chapter: These new rules affecting ALL C of C Chapters were effective beginning 2009.

NOTE: I need to send two (2) copies of both the Annual Financial Report (501(c)3 report) and the 990-N confirmation (or other IRS 990 EZ or 900 filing) to General. It would assist me if you could **send 3 copies** of each required report/confirmation to me.

Reminder, please send all forms to the Division Treasurer - NOT to the UDC Business Office.

If you have any questions or concerns do not hesitate to contact me.

Pamela Curtin

Mrs. Eugene E. Curtin
148 Wexford Ridge Rd.
Ruckersville, VA 22968

Phone: 703-759-1987
Email: pamela.ab.curtin1@gmail.com