STUDENT ORG ADVISOR SESSION
FINANCIAL MANAGEMENT

Center for Leadership & Involvement
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AGENDA

- Get-to-know-you!
- Student Organization Financial Regulations
- Banking, Taxes, & Recommended Financial Practices
- Student Organization Funding & Fundraising
- Questions?
GET-TO-KNOW-YOU!

- What is your name?
- What organization do you advise?
- How long have you been advising this group?
- What is one thing you are hoping to get out of today’s session?
ACRONYMS YOU MAY HEAR

RSO – Registered Student Organization
CfLI – Center for Leadership & Involvement
WIN – Wisconsin Involvement Network
SAC – Student Activity Center
CESO – Campus Event Services Office
CSO – Committee on Student Organizations
SOAP – Student Organization Alcohol Policy
ASM – Associated Students of Madison
SORPG – Student Organization Resource & Policy Guide
MYTH VS. FACT

- MYTH: All student organizations are “Non-Profit Organizations”
- FACT: All student organizations are Not-For-Profit Organizations

- MYTH: Student organizations are tax exempt and can use the University tax exempt number.
- FACT: Student organizations are NOT tax exempt unless they have completed certification as a federally approved tax exempt organization with the Internal Revenue Service
CFLI FINANCIAL EXPECTATIONS

- Must have a student who can represent the RSO in financial matters (second/financial contact)

- Maintain accurate and complete financial records of all receipts & expenditures that can be made available no later than 15 days after receiving a request from Committee on Student Organizations Chair or CfLI Director

- Will be held accountable for fraudulent practices, such as falsifying information on grant applications
BEST FINANCIAL PRACTICES

- Develop a budget for the (fiscal) year
  - Income (membership dues, grants, etc.)
  - Ongoing expenses (printing, office space, national/regional dues, etc.)
  - Individual program expenses (speaker fees, space rental, advertising, programming, etc.)

- Keep a financial journal & maintain records for at least five years

- Transition important organization information/accounts to new leadership

- Prep a monthly financial statement to share with the organization membership/executive board
EMPLOYER IDENTIFICATION NUMBER (EIN)

- Nine-digit number assigned to the organization by the Internal Revenue Service (IRS)

- You need this number in order to create a bank account
  - The EIN also works if groups are working with 3rd party vendors who need the tax ID number of the organization (i.e., Buffalo Wild Wings Fundraiser)

- Application for Employer Identification Number is through IRS (linked here: guide.cfli.wisc.edu)
STUDENT ORGANIZATION BANK ACCOUNTS

- Student Organizations **CANNOT** use personal bank accounts for organization funds
- Funding from departments or ASM should follow the outlined protocol (may not need an outside back account)
- Any financial institution is acceptable (UW Credit Union, Associated Bank, etc.)
- Authorized Signers must remain current with the financial institution
  - Update during leadership transitions!
WHAT ORGANIZATIONS NEED...

- **Signature cards** signed at the time the account is opened by the person(s) who can sign on the account and will have permission to open the accounts.

- **Depository Resolution** establishes the financial institution as the organization's financial institution. An officer of your organization signs this.

- **Tax ID Number** (Employer Identification Number (EIN))

- **Proof of Existence:** Many Financial Institutions will require a document that proves the existence of the organization.
BANKING BEST PRACTICES

- Be careful with OR do not have ATM/Debit Cards
- Require 2 signatures to sign off on checks & 2 names to be listed on the signatory card
- It’s advised that all banking transactions are handled through checks & deposit slips
- Update authorized signatures with leadership transitions
- Document the organization’s EIN is a safe and secure location
- Departmental funding **may not** co-mingle with an outside bank account
FUNDING: ASSOCIATED STUDENTS OF MADISON (ASM)

- Event Grant (1 per semester)
  - On-campus events that are educational, informational, FREE, and open to ALL students on campus
  - Deadline: 6 weeks before event

- Travel Grant (1 per year)
  - Used to fund traveling to conferences, trainings, competitions and other off-campus events that help to train student leaders and enrich the resources available to Student Organizations
  - Deadline: 6 weeks before travel
FUNDING: ASSOCIATED STUDENTS OF MADISON (ASM)

- **Open Fund Grant**
  - Day-to-day business of student organizations
  - Deadline: Rolling basis
  - Max amount of grant: $200
  - $150 for Student Print and $50 for University Bookstore

- **Operations Grant**
  - Day-to-day business of student organizations
  - Application opens in December and closes in February
  - Funds available for following academic year (apply in Dec. ‘16 for funds in ‘17-‘18)
FUNDING: ASSOCIATED STUDENTS OF MADISON (ASM)

- **RSO Independence** — Students must maintain decision making and planning of event throughout process (no departments or community organizations)

- **Advertising**
  - RSO planning must always be mentioned
  - Must include appropriate logos/disclaimer (“Funded in part by:”)
  - Can imperil groups access to funds even after approval

- **Justification** — Popular/Undervalued vs. Questions on App

- Can contact via email for consultation/questions
FUNDING: CHANCELLOR FUND EVENT GRANTS

- Assembly of International Students Event Grant
  - Deadline: No later than 3 weeks before the event

- Multicultural Council Grant
  - Deadline: At least 30 days prior to the event

- Wisconsin Experience Grant
  - Deadline: At least 1 full month before the event
ADDITIONAL FUNDING

- Wisconsin Union Directorate
  - Late Night Programming

- Lectures Committee
  - Distinguished lecturers on campus

- Kemper K. Knapp Bequest Committee
  - Special Projects
ADDITIONAL FUNDING TIPS

- Organizations must apply to ASM Grants first before they can receive Chancellor Fund Grants
- Chancellor Funded Grants will provide funds for FOOD!
- Be very mindful of Application Deadlines
- Be thorough and detailed. Rarely is there too much information in a grant application!
- Verify Student Organization Status
STUDENT ORGANIZATION TAX INFORMATION

- Not for Profit - must use any income or profit for organizational purposes, not for any individual or commercial gain (requirement of RSOs) ≠ Non-Profit

- Non-Profit – have appropriate filing status as a 501(c)(#) organization with the IRS

- A majority of student organizations do not fall within the 501(c)(3) statute which is the only “sales tax exempt” category – most are 501(c)(7) and some are 501(c)(5) eligible for exemption from federal income tax

- May be eligible to apply to Wisconsin Department of Revenue for exemption from state sales tax – process outlined in SORPG

- Can not receive “tax-deductible contributions” unless have a Letter of Determination from IRS

- Consult with a tax professional – Free options and contacts available on SORPG
FUNDRAISING OPPORTUNITIES

- Membership Dues
- University Department Sponsorship of Events/Activities
- Corporate Sponsorship of Events/Activities
- Sales
  - Food Sales Require a permit through Risk Management or City of Madison
  - Information provided in SORPG
SALES OVERVIEW

If fundraising in a University Space must get permission from CESO/Building Manager

- Charitable Fundraising (can not be for political campaign)
  - Limited to Students/Faculty/Staff if not co-sponsored by a department
  - If co-sponsored by a department, can be open to community members as well – funds should be deposited into a University based account

- Non-Charitable Fundraising (i.e. for org benefit or expenses)
  - Need to follow state sales tax reporting guidelines found in SORPG
  - Items need to be approved/org related – reference SORPG for details

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<thead>
<tr>
<th>OK to SELL</th>
<th>NOT OK to SELL</th>
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</thead>
<tbody>
<tr>
<td>Pre-Packaged Food Items</td>
<td>Alcohol Related</td>
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<tr>
<td>Homemade Crafts</td>
<td>Tobacco Products</td>
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<tr>
<td>T-Shirt tied to org or event</td>
<td>Credit Card Apps</td>
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<tr>
<td>Products related to Org</td>
<td>Commercial Products</td>
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FUNDRAISING REGULATIONS - RAFFLES

- Selling tickets or chances to win a random drawing prize
- License necessary through WI Department of Administration ($25.00)
- 4-6 weeks processing time, org must have existed for 1 year or be affiliated with a state or local org that has existed for at least 3 years
FUNDRAISING REGULATIONS — POKER TOURNAMENTS

- Can not pay a fee to enter, also a minimum purchase (consideration to win a prize)
- chance is involved, even though accompanied by some skill (casino nights tend to be inclusive of all games)
- Violation could be Class B misdemeanor or Class E felony depending on event
- No clear cut decision on those that do not involve consideration – check with CfLI/Legal Affairs if considering
QUESTIONS?

guide.cfli.wisc.edu