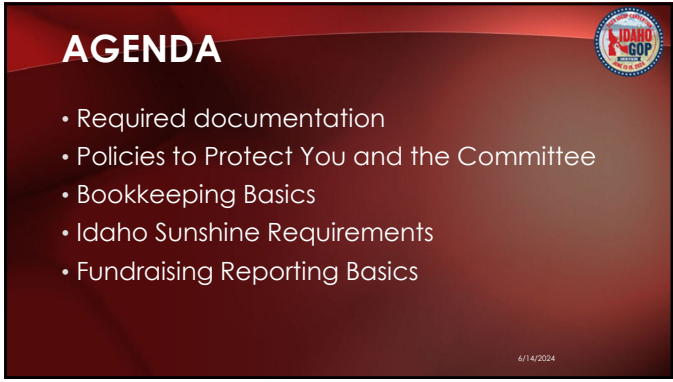
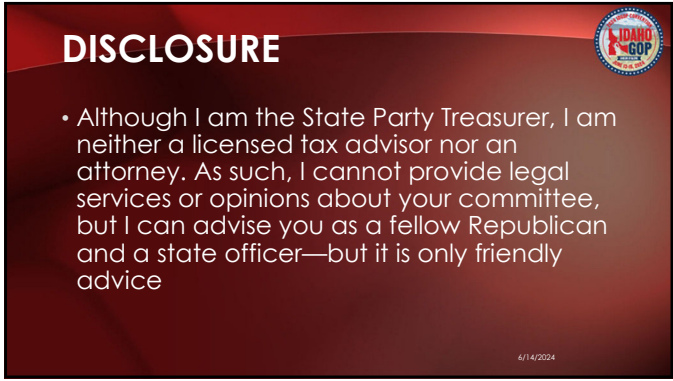




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PART 1

Required Documentation



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Do You Have Your Documents In Order?

1. Federal Employer Identification Number (EIN)
2. IRS Form 8871
3. Registered Agent with Idaho Secretary of State
4. Campaign Finance Reporting Account (Sunshine)

Note that Sunshine reporting applies only to those committees spending at least \$5,000 per year

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1. Have an IRS Employer Identification Number
 - If you are uncertain whether you have one, contact the IRS Business & Specialty Tax Line at 800-829-4933
 - The hours of operation are 7:00 a.m. - 7:00 p.m. local time, Monday through Friday.
 - Required to open a bank account now
 - Required to file IRS forms
 - If you don't have it—get it

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2. Form 8871

- This is the IRS Form that declares the committee to be a 527 Political Non-Profit Organization
- Without it, all contributions are taxable
- Must be filed electronically:
<https://forms.irs.gov/app/pof/login/auth>
- Only filed once

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3. File Registered Agent with ID SecState

- You do not need to incorporate
- File as an unincorporated association
- This also establishes a fictitious name for legal purposes
- Go to: <https://sosbiz.idaho.gov/forms/business>
- Scroll down to the last option:



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4. Create a Sunshine Account—If required!

- All Central Committees are considered to be PACs
- Higher filing threshold: \$5,000 annual expenditures
- Income doesn't matter—only what is spent
- Once you file, you must continue even if spending drops
- New system was deployed in January

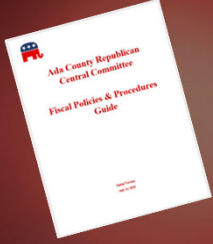
If you meet these requirements, contact the Idaho Secretary of State Elections Division for assistance with your Sunshine Account 208-334-2852

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PART 2

POLICIES TO PROTECT YOU AND THE COMMITTEE



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Control vs. Burden—How Much Do You Need

- Controls only work if the process is followed
- Ada County: six figure budget needs lots of control
- If you have less than \$5,000 less control makes sense
- But there are several basics that should be a part of your controls

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Documentation—Mandatory Minimums

- You **MUST** have an accounting system!
 - Online accounting—QuickBooks
 - Spreadsheet System—general ledger and chart of accounts
 - Checkbook Register
- You **MUST** have established documentation levels
- You **MUST** review monthly activity
- You **MUST** reconcile bank statements
- You **MUST** report to the Central Committee

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Additional Optional Enhancements

- Establish a budget—and track spending against it
- Document who approves expenditures
- Document who has authority to handle money
- Always have two handlers when dealing with cash


It is a good practice to keep the chairman and the money separated. If there is ever a financial irregularity question, those involved should be quarantined—if the Chairman is a signer, then he's on the bench.

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Balance Risk and Operability

- Ada County policy is comprehensive:
 1. Accounting Procedures
 2. Internal Controls
 3. Financial Planning and Reporting
 4. Revenue and Accounts Receivable
 5. Expense and Accounts Payable
 6. Asset Management



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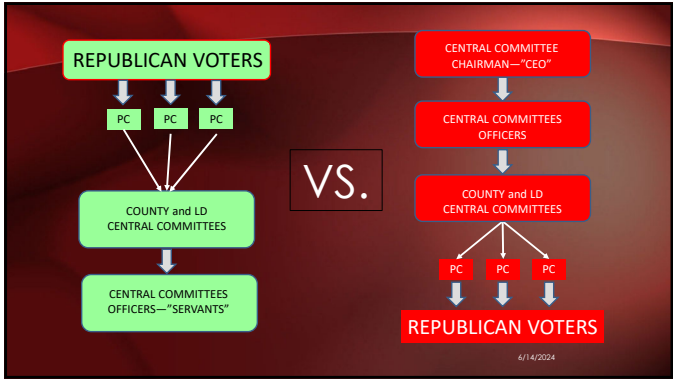
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PART 3

BOOKKEEPING BASICS

"If you don't write it down, it never happened."
--Tom Clancy

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Accounting Systems

- QuickBooks—full accounting system, \$100/month
- Quicken—Electronic checkbook register with categories
- Excel Spreadsheet
- Checkbook Register with a comprehensive list of donors, names and addresses

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Records

- Your Bank Balance is NOT your financial report—do not Sunshine report off the bank statement.
- You need an independent record to show what you have spent—not what cleared the bank
- Even if it is just the checkbook register—that is your system—and you balance it against the bank’s system


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Records

Verify monthly that books balance to bank

Your Records: Checkbook register, spreadsheet, or QuickBooks	Bank Statement: What has cleared, and what is outstanding
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Nonprofit Accounting Structure

- 1000: Assets (Bank Accounts, unsold merchandise)
- 2000: Liabilities (Debts)
- 3000: Equity
- 4000: Revenues
- 5000: Cost of Goods Sold
- 6000: Programs
- 7000: Administrative
- 8000: Fundraising
- 9000: Miscellaneous

This structure is a standard framework to build on and the expenses side (5000-8000) matches the reporting order on tax returns—if you need to file

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Monthly Reports

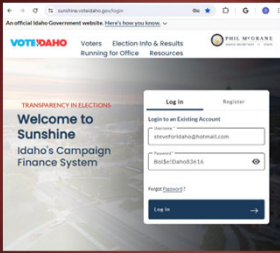
Treasurer's Monthly Reports should include:

- A balance sheet comparison showing cash on hand at the end of the current and prior period
- A statement of activity showing all revenues and expenditures in the current reporting period
- A budget vs. actuals report showing what was expected to be and what actually was
 - The budget report only applies if the committee has adopted a budget and is following it

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PART 4 IDAHO SUNSHINE REQUIREMENTS



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Sunshine Rules

Required Donor Information:	Required Vendor Information:
<ul style="list-style-type: none">• Full name• Full address	<ul style="list-style-type: none">• Name• Address• Spending Category Code(s)• Note this is the final vendor, not the check recipient. If John is reimbursed, report where he spent the money, not just a payment to John.

Any anonymous contributions must *immediately* be returned or sent to the State Controller for deposit in the Public School Fund

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When Filing is Required

- Required once a committee spends \$5,000 in a year
- Regular filing requirement thereafter
 - Annual in odd-numbered years
 - Monthly in even-numbered years
- Reports required by the 10th of the following month
- Reports should be signed by Chairman or Treasurer, but...
- The new system allows another authorized user

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Unitemized Contributions

What the \$50.00 reporting limit means:

- Donors giving \$50.00 or more in a calendar year must be itemized
- Donors donating less than \$50 do not have to be reported by name—but you **MUST** have their name and address in your records
- When a \$5 per month donor hits \$50 in October all monthly donations become reportable
- Just report everyone no matter how little they give

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Filing Quirks

- There is no limit on contributions to a central committee
- Individuals, Candidates, and Organizations may donate
- Refunds from a prior month matter—talk to SoS on how to report them
- Reimbursement Expenditures should be reported to the company that ultimately got the money, not the person being reimbursed
- In-Kind Contributions are reported separately and are valued by the donor if not a new purchase

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Recordkeeping

- Maintain all records for at least 12 months prior to the last election year
- Maintain records that would be filed even if not filing
- If the \$5,000 spending floor is exceeded late in the year, you must report everything since January 1
- Name and address requirements apply to everything—donations, auctions, raffles, dessert dashes—and cash

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PART 5

FUNDRAISER RECORDKEEPING BASICS

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Activities With Accounting Challenges

- Lincoln Days and other Dinners
- Raffles
- Auctions
- Fair Booths

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Lincoln Days and other Dinners

- Ticket Sales
- Sponsorships
- Dessert Dash
- Merchandise Sales
- Live and Silent Auctions
- Raffles
- The first four are straightforward, but you need names and addresses.
- Use an online payment system that requires an address (Anedot or WinRed)
- If people donate items to the auction, that is reportable as an in-kind contribution
- Raffles are a separate problem

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The Problem With Raffles

- Gaming License is Required, but 527s are not eligible
- You MUST use this workaround to stay legal

1. **The raffle must be a part of an event**
2. **Sell tickets...as many as you want in advance and at the event**
3. **At the raffle event every attendee MUST be given one free ticket...then you can sell as many extra chances as you want**

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Fair Booths

- Merchandise is taxable when you set a price or suggested price
- Receipts MUST be given and MUST show the sales tax
- You need to keep a list of the names and addresses of every person who purchases an item no matter how low the amount
- You cannot have a boot or ammo can "tip jar" for anonymous contributions

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Auctions: Live or Silent

- Donated merchandise is reported as an in-kind donation, valued by the donor
- It is reported as a donation and an event expense amount
- When it sells, it is reported as a cash donation from the auction winner
- Auction items are taxable and receipts are supposed to call out the tax separately

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QUESTIONS

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