

HELPFUL HINTS FOR COMPLETING THE ANNUAL FINANCIAL REPORT

Use cash accounting principles: if a check was written in 2023 it is a 2023 expense, even if it has not cleared the bank by December 31, 2023.

Use your reconciled December 31, 2023 bank statement to complete the report.

DO NOT SIGN OR DATE YOUR REPORT PRIOR TO JANUARY 1, 2024.

Photocopy rather than hand-write several copies of the form, to eliminate copy over errors. If you need additional blank copies of the form, you can photocopy them from page 22 or 23 of the Chapter/Region Financial Guidelines.

Evaluate your revenue and expenses for the “Other” category. Ask yourself, are they related to education, administration, etc.? If so, move them to the appropriate category. **If Other Revenue or Other Expenses are over \$300.00, please attach a detailed schedule of the revenue or expenses that make up this entry.**

YOUR ANNUAL FINANCIAL REPORT FORM IS *BALANCED* IF:

Line #38 and #43 equal

The sum of lines # 39, 40, 41, and 42, cash assets, *ALSO* equals line #43.

CHAPTER ANNUAL FINANCIAL REPORT - INSTRUCTIONS FOR NUMBERED LINES

1. **TOTAL CASH ON HAND AS OF DECEMBER 31 OF PREVIOUS YEAR:** This is the starting point from the previous year’s financial report on file at EGA headquarters. The closing balance from the previous year is the opening balance for the current year’s report. If the opening balance does not agree with your records, please contact EGA Headquarters at (502) 589-6956 or typarks@egausa.org.

REVENUE

2. **MEMBER DUES:** All dues actually collected during the year from regular and plural members, even if received in advance for the following year. This figure includes chapter, region, and national dues collected by the chapter.

3. **INTEREST:** Interest earned on all bank accounts and investments during the year. Record the interest when earned, even if it is re-deposited to the investment instrument.

4. **EDUCATIONAL EVENTS:** Money collected for all educational events, including workshops, correspondence courses, lectures, kit fees, supplies, class registration fees, refreshments, transportation, etc. Revenue for a meal or refreshments that are offered along with a needlework-related lecture or workshop is shown here. This category may include many education-related activities.

5. **SEMINAR:** If your chapter hosted a region seminar last year, this line shows the chapter’s share of the seminar’s net profit, if any. *Attach a copy of the Seminar Financial Report.* (See line #18 for reporting the chapter’s share of the seminar’s net loss, if any.) If a seminar is run through your chapter’s books, this is the total income taken in by the seminar.

6. **EXHIBIT:** If your chapter had an exhibit last year, this line shows the exhibit’s net profit, if any. *Attach a copy of the Exhibit Financial Report.* (See line #19 for reporting the exhibit’s net loss, if any.) If an exhibit is run through your chapter’s books, this is the total income taken in by the exhibit.

7. **FUND RAISING EVENTS:** Revenue from chapter sponsored events whose purpose is to raise funds for chapter use. Revenue from silent auctions, white-elephant sales, bake sales, and opportunity drawing ticket sales should be shown here. Fund raising should be a specifically planned event, which occurs occasionally, and may take place at times and locations other than regular chapter meetings.

8. **SALES:** Miscellaneous sales of goods, including chapter or region pins, tote bags, or chapter cookbooks. Sales of donated charts, books, or other items are also included in line #8, unless they are part of a specific fund raising event under line #7 above

9. **ADVERTISING:** Newsletter, yearbook, membership directory advertising. *Attach an itemized list if this line exceeds \$300.00.*

10. **COMMUNITY OUTREACH:** Revenue (including grants from EGA national or your region) received in connection with conducting community outreach activities such as teaching children or senior citizens, hospital assistance programs, homeless or abused citizens' shelters, etc. (See line #26 for reporting expenses.)

11. **CONTRIBUTIONS - UNRESTRICTED:** Cash or monetary contributions, the use of which has *not* been restricted or designated by the donor. (Do not record the value of goods or services which may have been contributed.)

12. **CONTRIBUTIONS - RESTRICTED:** Cash or monetary contributions, the use of which *has been* restricted or designated by the donor. Examples may include a contribution in memory of a deceased member, which is designated by the donor for a specific purpose, such as education.

13. **PARTIES/MEALS:** Total received for events at which there are no educational aspects.

14. **RETREATS:** Total received for events not classified as a seminar. These are the amounts that were deposited in the chapter checking account, whether a gross or net amount.

15. **CONTRIBUTIONS/GIFTS:** Any item of this nature that does not fall into categories 11 or 12 above. Do not include non-monetary amounts.

16. **PRINTING:** Monies received to cover the costs of printing anything other than the chapter/region newsletter.

17. **OTHER:** Revenue from other sources, such as money collected for coffee or nametag kitty, library fines, etc. *Attach an itemized list if the total exceeds \$300.00.*

18. **TOTAL REVENUE:** Add the amounts on line #2 through #13, and enter the total on line #14.

NOTE: The transfer of funds from one bank account or investment to another at any time during the year is not revenue. Such transfers are NOT reported as revenue or expenses as they involve funds already owned and accounted for in the chapter's financial records. Be sure to include interest earned on these accounts as revenue on line #3.

EXPENSES

19. **NATIONAL DUES:** Total amount actually paid to EGA during the year for national dues.
20. **REGION DUES:** Total amount actually paid to the region during the year for region dues.
21. **EDUCATIONAL EVENTS:** Total expenses related to the educational activities shown on line #4. Include hospitality costs for teachers and lecturers, course registration fees paid to EGA, rental fees for slides and equipment, rental space for chapter programs, advertising, refreshments, etc. which are paid as a part of the cost of an educational event. Chapter programs and workshops are considered educational events.
22. **SEMINAR:** If your chapter hosted a region seminar last year, this line shows the chapter's share of the seminar's net loss, if any. *Attach a copy of the Seminar Financial Report.* (See line #5 for reporting the chapter's share of the seminar's net profit, if any.)
23. **Exhibit:** If your chapter had an exhibit last year, this line shows the exhibit's net loss, if any. *Attach a copy of the Exhibit Financial Report.* (See line #6 for reporting the exhibit's net profit, if any.)
24. **FUND RAISING EVENTS:** Total paid expenses related to the fund raising events for which revenue is reported on line #7. Include the cost of items purchased for resale during these special fund raising events.
25. **COST OF SALES:** Cost of the miscellaneous items sold, for which the revenue was reported on line #8. Include shipping and other related expenses.
26. **RENT:** Total amount paid for rent for chapter or board meetings which do not include programs. Include janitorial fees or contributions made in lieu of rent. Do not include booth or rental fees paid for educational or fund raising events; include these as cost of the activity.
27. **NEWSLETTER:** The amount paid for production of the chapter newsletter, including copying, artwork, labels, postage, bulk mail permits, etc.
28. **ADMINISTRATION:** The total paid for routine office-type expenses incurred by chapter officers or committee chairmen, and not included on other lines. These expenses include, but are not limited to, telephone, stationery, copying, postage, supplies, small equipment purchases, membership recruitment and other membership expenses, audit fees, bank charges, and check printing fees.
29. **OFFICERS' TRAVEL:** Reimbursements for travel on official chapter business.
30. **COMMUNITY OUTREACH:** Expenses related to providing community outreach activities. (See line #10 for reporting revenue.)
31. **Parties/Meals:** Events at which no educational activity is involved – a purely social event.
32. **Retreats:** Income realized from a stitching event not classified as a seminar.
33. **Contributions/Gifts:** Cash donations, whether from members or non-members.

34. **Printing:** For items other than the newsletter.

35. **OTHER:** Expenses that do not readily fit into other categories. Include gifts to chapter officers, costs of meal functions of a social nature, etc. *Attach an itemized list if the total exceeds \$300.00*

36. **TOTAL EXPENSES:** Add the amounts on lines #19 through #35.

37. **TOTAL REVENUE LESS TOTAL EXPENSES:** Line #18 minus line #36. (If the result is a negative number, enclose it in parentheses). Note: the amount entered on this line, excess revenue or deficit, represents the total financial activity of your chapter for the year.

38. **TOTAL CASH ON HAND AS OF DECEMBER 31:** Add the amount on line #1 plus/minus line #37 and enter the total on line #38, THIS AMOUNT MUST BE THE SAME AS THE AMOUNT SHOWN ON LINE #43.

39. **CHECKBOOK BALANCE AS OF DECEMBER 31:** After reconciling your checkbook with the account statement from your bank, enter the balance shown in your checkbook as of the close of business on December 31. Do not use the balance shown on the bank statement, as this will not reflect outstanding checks (deposits), *i.e.* checks written in one year but not clearing the bank until the next year.

40. **SAVINGS ACCOUNT BALANCE AS OF DECEMBER 31:** Enter the balance in the savings account as reported on the bank statement as of December 31.

41. **OTHER CASH ASSET/INVESTMENTS AS OF DECEMBER 31:** Enter the total value of all cash assets not reported on lines #39 and #40. *List* escrow and/or deposits, certificate of deposits, or other investments.

42. **RESTRICTED CONTRIBUTIONS BALANCE AS OF DECEMBER 31:** If the chapter has received donor restricted contributions, do not include that amount in lines #39, #40, or #41 above. Indicate the amount of donor restricted contributions on line #42, until the amount has been expended for the purpose designated by the donor. (As expenditures are made for the donor's designated purpose, include them in lines #19 to #35, as appropriate.)

43. **TOTAL CASH ON HAND AS OF DECEMBER 31:** Add the amounts on lines #39, #40, #41, and #42 and enter the total on line #43. FOR YOUR REPORT TO BALANCE, LINE #38 MUST EQUAL LINE #43

As you work through the Annual Financial Report, you will see that some categories may overlap. Think carefully about the primary purpose of each transaction before deciding where it should be categorized. Remember that education is the primary purpose of EGA. All educational activities, programs, and lectures, even if a meal is included, are educational events.

Volunteer Count Report

Due to changes in the Federal tax return, there is an additional reporting item that is required from each chapter. This is the number of your **primary** members that do volunteer work for EGA. This will usually be an attachment to the annual financial report.

Volunteers are considered at 3 levels but are all counted by their primary chapter as volunteers.

They can be a volunteer at the chapter level – by holding an office, serving on a committee, by providing an unpaid education service, or any other service to the chapter.

They can be a volunteer at the region level – by holding a regional office, serving on a regional committee, providing an unpaid educational service at the region level, or any other service to a region.

They can be a volunteer at the national level – by holding a national office, serving on a national committee, providing an unpaid educational service at the national level, or any other type of service to national. However, each primary chapter member is counted only once by their primary chapter no matter how many types of service they have given to EGA in the past year. Regions do not need to submit a volunteer count as all volunteer information is collected at the chapter level.