

## **CrossState Credit Union Association Chapter Accounting Guidelines**

Chapters are an extension of CrossState Credit Union Association, making their financial activity part of CrossState Credit Union Association's combined audited financial statements and CrossState Credit Union Association's IRS 990 tax return.

The CrossState Credit Union Association will record all financial activity for the chapters. Each chapter will receive a monthly statement of revenue and disbursements, a balance sheet and the general ledger showing all activity recorded.

The chapter treasurer or designated person should complete the cash receipt form and/or disbursement form for all activity. The form and necessary supporting documentation should be emailed to [chapteraccounting@crossstate.org](mailto:chapteraccounting@crossstate.org) or faxed to 717-234-4463.

*Note - Customized cash receipt and disbursement forms are available for each chapter; please send an email to [chapteraccounting@crossstate.org](mailto:chapteraccounting@crossstate.org) to request.*

### ***Chapter Cash Receipts***

A cash receipt form should be completed for each deposit and forwarded to CrossState Credit Union Association with supporting documentation.

- The form includes the basic information - chapter name, deposit date, and if applicable the meeting location and date.
- Enter the dollar amount in the appropriate category. Add a note to further explain as necessary.
- Enter in the name and chapter title of the person making the deposit.
- Receipts from credit unions and vendors that are sponsoring a fundraising or PAC event will be recorded as Fundraising or PAC Fundraising, not as sponsorship income. Example – Vendor contributes \$1,000 to sponsor a golf event where the proceeds go the PAC. The revenue will be recorded as PAC Fundraising.

### ***Chapter Disbursements***

Chapter checks will be issued from the CrossState Credit Union Association, PA office. In addition, the chapter can utilize a debit or credit card to make purchases. Checks are processed on Monday, Wednesday, and Friday. If you submit a check request and don't receive an email from Accounting within 2 to 3 business days indicating the payment was processed, please follow up.

- Complete the basic information as requested on the form and include supporting documentation.

- Check the appropriate box – debit card, credit card, or check request. Checks should be issued via the Association’s main office. Each chapter will have their own cash account(s).
- Enter the expense in the appropriate category. Add a note in the explanation box to further explain as necessary.
- The expense should be approved by the chapter treasurer or designated person. If the expense is over \$1,000 a second person should approve the expense.
- Direct bill – If the chapter uses a venue regularly, we can request an application for direct bill.
- If the chapter has a credit card account, statements should be mailed to CrossState Credit Union Association office at 4309 North Front Street, Harrisburg, PA 17110. CrossState Accounting will match the charges on the statement to the disbursement forms received. Disbursement forms should be remitted when the expense is incurred, so the credit card payment can be processed in a timely manner.

### ***Miscellaneous***

- Petty cash accounts can be established upon request.
- Online access to checking accounts can be available upon request.
- CrossState is a 501(c)6 organization which is required to pay sales tax. Chapters are an extension of CrossState, and as such, are required to pay sales tax.

### ***Scholarships & Awards***

#### ***A scholarship is tax-free if:***

- You are a full-time or part-time candidate for a degree at a primary, secondary, or accredited post-secondary institution.
- The funds are used to pay tuition.
- The funds are used for fees, books, supplies, and equipment required for your courses.

#### ***A scholarship is considered taxable income if it is used to cover any of the following:***

- Room and board
- Travel
- Research
- Clerical help
- Fees, Books, Supplies, and Equipment that are not required for the course or enrollment

- If the scholarship funds are used for both tuition and room and board, the amount you use for tuition is tax-free, but the amount you used for room and board is taxable income.

If the recipient claims a deduction for educational expenses, it must reduce the amount of the scholarship received.

### **Summary & Policy**

To ensure fundraising receipts and scholarships issued are used for the intended purposes, if the amount is \$600 or more, the payment will be issued to the student and the college/business school.

*Updated July 2020 (TF & CR)*