

FAQ regarding NAWGJ fundraisers

On June 1, 2023, the NAWGJ Executive and Finance Committees met with Mia Jack, CPA to better understand how we protect our non-profit status and to assure our financial policies are transparent and reasonable in process and procedure.

1. Must the funds from the state fundraisers be shared with all members whether they volunteered at the event or not?

No. We can have differentiated amounts as long as:

The SJD provides a reasonable and structured Compensation Schedule to the RJD/Finance Director/ Executive Board for approval, and it is documented in the minutes which are published to the state's membership.

Process: Each state creates a Fundraiser Compensation Schedule:

- Clear criteria for payment and/or incentives for judges working at the fundraiser
- Funds may be disbursed according to the Fundraiser Compensation Schedule
 - These funds may be used differentially according to established criteria, e.g., the expenses required to maintain a rating are more for higher ratings than lower ratings.
 - Each state can specify an amount to be held in their funds for fiscal years where judges' expenses are expected to be higher, e.g., recertification and Symposium years. This supports the mission of NAWGJ.
 - Money to fund the office

It is reasonable to say each state's compensation package will be different.

Possible criteria to receive educational funds from a fundraiser:

- Member is in good standing-memberships paid; CPE completed
- Specified hours of judging competitions
- Specified hours working at a Judges Cup (State/National)
- Specified hours volunteering at other NAWGJ events

Note: Helping Hands is available to help those who have financial needs.

2. Can incentives for working at a fundraiser be provided to those who volunteer versus those who do not volunteer at a fundraiser?

If the incentives for working at a fundraiser are documented in the approved Fundraiser Compensation Plan, they can be provided to those who volunteer. States can provide more for those who work at the event.

3. What if the fundraiser does not provide the opportunity for judges to work due to no need?

Provide more options so all members have the opportunity to benefit from the State Fundraiser Compensation Plan.

4. Is it ok for states to use the number of sessions a judge volunteers (a session is typically 3 hours) to determine the benefits that the judge receives? These benefits would be paid only to judges who volunteer; everyone has the opportunity to participate and no one is denied.

Yes, if that is in the approved State Fundraiser Compensation Plan.

5. When distributing the net proceeds of the fundraiser to all members, is it ok to pay different amounts depending on the judges' rating?

Yes. Judges may receive different amounts of funds if it is reasonable and uniform (e.g., rating). The plan shall state clear criteria for the differing amounts and rationale.

6. When distributing the net funds to benefit the members, should the judges provide receipts for reimbursement? Or is it ok to give money to the judges, expecting they will spend it as appropriate for their professional activities related to judging with no receipts required?

Receipts are required by the IRS to maintain our non-profit status. FYI: If we lose our non-profit status, we could have to pay taxes of approximately 21% on earnings.

7. Limitations on gifts and donations:

The current limit of \$100.00, as stated in the Bylaws, is reasonable according to Mia Jack. Written approval from the RJD is required if exceeding this amount. Note that the current IRS de minimis gift amount is \$25, but that has not been updated in years, so the \$100 seems reasonable.

8. What is reasonable to hold in Reserve funds:

One year's expenses. A review of previous financial records should be used to determine average yearly income/expenses which can be used as a benchmark.

9. What should states do if they have excess money in their accounts?

- a. Review their 4-year budget plan and spend the excess on the membership in ways that support the mission of NAWGJ
- b. Contribute to Helping Hands
- c. Send judges and teams to National Judges Cup
- d. If a judge does not use the funds provided they could be donated to Helping Hands

10. Can State Committees give themselves gifts?

Yes, if they are within the stated limits according to the Bylaws, are reasonable, and uniform. If exceeding the recommended limit, must have approval.

12. If we provide a member with any kind of benefit such as purchasing books, uniforms or paying for an educational event on his/her behalf, do we issue a 1099 if it's over \$600 total for the year? This would be a situation where a judge is not paid, but rather some kind of benefit is paid for and then given to him/her.

Mia Jack stated, "I don't believe that we need to issue 1099 for books, uniforms, and registration fees for educational events for members. These would all just fall under program expenses."

13. Financial Record Retention: RJD Robin Smith checked with her husband Bob, who is an accountant for a non-profit. For taxes, he stated:

- Electronic Records - 7 years
- Paper file - 3 years plus the current year
- Minutes are retained forever

We will review our records retention policy to ensure we are following this.

A new NAWGJ Financial Policy and Procedures manual is being compiled and will include this information.