

League of Women Voters of Michigan
GUIDELINES FOR TREASURERS OF LOCAL LEAGUES AND STATE UNITS (8/2026)

GUIDE TO FINANCIAL POLICIES & PROCEDURES

Sound financial policies and procedures increase the likelihood that:

- Financial information is reliable
- Assets and records are not stolen, misused or destroyed
- Policies, laws and regulations are followed

What “internal controls” on finances should a policies and procedures document address?

- Authorization and approval
- Proper documentation
- Physical and computer security
- Early detection

Authorization and approval:

- Segregation of duties – ideally, the same person should NOT:
 - Deposit funds AND record deposits
 - Write checks AND receive and reconcile bank statements

Income--proper documentation:

- Open mail **promptly**.
- Record, copy and endorse checks upon receipt.
- Prepare deposit and deliver to bank **promptly**.
- Deposit all cash received (don't use cash received to pay bills or replenish petty cash).
- Reconcile income with deposits.

Expenditures—proper documentation:

- Board authorizes check signers.
- Require more than one signature for checks over a certain amount.
- Obtain approval for each transaction, either through the budget or through the board.
- Provide and maintain documentation for each check written.

Physical and computer security measures:

- Checks:
 - Pre-number checks.
 - Secure blank checks with a lock.
 - Limit access to blank checks to authorized person(s).
- Computer records
 - Limit access and protect with passwords.
 - BACK UP records on a regular basis; store securely at another location/in the cloud.

Annual financial review--early detection:

- A financially astute person who is not part of the financial team reviews financial records
- Reviewer follows LWVMI financial review procedure (see next page for procedure)

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FINANCIAL REVIEW PROCEDURE

1. Bank statements

- Check recorded receipts against the deposits on bank statements.
- Investigate discrepancies.
- Verify bank reconciliations.
- Account for all checks by number.

2. Dues

- Check dues collected during the year against the current membership total.
- Investigate discrepancies, insofar as ChapterSpot and Stripe documentation allows (life members, scholarships, any locally discounted student members).

3. Vouchers

- Check records against vouchers.
- Are expenses backed by an invoice or voucher?
- Are items debited to the proper account?

4. Budget

- Compare income and expenses with budget.

5. Education Fund (Impact Fund) Account with LWVUS Education Fund (if applicable)

- Compare deposits of tax-deductible funds with the records of LWVUS Ed Fund.
- Check transactions with the LWVUS Ed Fund.

6. Sample Month

- Verify income and expense totals.
- Verify individual categories.
- Check beginning balance and ending balance.
- Make necessary adjustments.

7. Return to bank statements

- Check beginning and ending balances in each account.
- Make necessary adjustments.

8. Prepare report

- "We/I have reviewed the books of the League of Women Voters of _____ as of _____, examined the records of revenue and expenditures and traced beginning and ending cash balances to bank statements. The books are an accurate reflection of the financial condition of the League of Women Voters of _____ as of _____ and the results of its operations and cash flows for the year."
- Sign statement.

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YOU JUST BECAME TREASURER FOR YOUR LOCAL LEAGUE

- A. Find out which financial institutions your League uses. Work with the past president and past treasurer to add your name on all accounts. This usually involves going to the bank in person and filling out a form. Make sure you know the process for obtaining the regular bank statements. Be sure you have been added in ChapterSpot as the treasurer.
- B. Check with the past treasurer about any policies regarding the responsibilities of the treasurer, i.e. some Leagues require two signatures for checks over a certain amount.
- C. Talk to the president and membership director to understand how money comes to your League. Find out if your local League uses an online payment system (i.e., Paypal) and how to use it. Learn how to use your local League's process for recording dues and donations from STRIPE and bill.com. Keep current on the LWVUS Membership Portal (ChapterSpot) through the [Administrator Guide](#).
- D. League of Women Voters of Michigan sends checks and bills to the local League presidents or to the address your League has provided. Make sure you have a system to get that material.
- E. Find out if there are bills that can be paid routinely, and if there are bills that have to be approved by the board. Ask how you will know when it is appropriate to pay bills requiring board approval.
- F. Check the balance according to the last bank statement against your records at least monthly and make sure the statement and your records match. If not, talk to others to get the information needed for them to reconcile.
- G. Learn whether your local League has a separate organization to receive donations to an education fund, or if your local League uses the LWVUS Education Fund (Impact Fund).
- H. Ask the current president if the format and frequency of previous treasurer's reports are sufficient for review at board meetings. Prepare reports that meet the needs of the board.
- I. At the end of the fiscal year (June 30), set up a peer financial review to assure the accuracy of the books and record-keeping system.
- J. Use the calendar on the next page to ensure you file important documents in a timely manner, including annual financial reports for LWVMI due August 1, and the E-file 990N postcard for the IRS (local Leagues only).

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LOCAL LEAGUE TREASURER RESPONSIBILITIES BY MONTH

Monthly	Receive and deposit any income; pay bills that are submitted & approved Document revenue and expenses Reconcile bank statements Prepare and distribute financial reports for board meetings
July	Close out books for previous fiscal year; by 8/1 send to LWVMI: year-end revenue & expenses vs. budget, net assets, proof of having filed 990-N by Nov. 15 Arrange for a peer financial review of financial records for the year If not covered by LWVMI, pay general liability insurance fee to State League
August	Pay LWV of Lake Michigan Region dues, as applicable
September	--
October	--
November	E-file 990-N (postcard) with IRS by Nov. 15 (for fiscal year July 1-June 30) NOTE: This does not apply to State (MAL) Units.
January	--
February	Work with budget committee to develop proposed budget for next year
March	Present budget to local board for approval. Publish to membership.
April	--
May	Present financial report and proposed budget at local League's annual meeting If not covered by LWVMI, pay LWVMI for Directors & Officers liability insurance, if opting in
June	If not covered by LWVMI, receive general liability insurance bill from LWVMI

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INSURANCE OVERVIEW

REQUIRED FOR LOCAL LEAGUES

GENERAL LIABILITY INSURANCE

LWVMI carries General Liability insurance on behalf of itself and local leagues. All local Leagues (not State Units) must participate and thus do not need to carry their own liability insurance. Liability insurance is required because every League has the risk of a lawsuit in case of an injury or fall at any of its meetings or events.

Unless covered by LWVMI, cost is \$0.90 per member. The total amount is based on the number of members a local League has as of January 31. If not covered by LWVMI, it will be billed to local Leagues in June. If no invoice is received, that means LWVMI is covering the cost.

The General Liability insurance policy covers all local members and local Leagues against claims by others. The comprehensive liability policy covers, but is not limited to, the following situations:

BODILY INJURY AND PROPERTY DAMAGE LIABILITY (limit \$1,000,000)

PERSONAL INJURY OR ADVERTISING INJURY (limit \$1,000,000)

MEDICAL PAYMENTS (limit \$10,000)

LITIGATION COSTS

If a local League is sued, the insurance company covers all costs of defending the suit.

DATA DEFENDER

LWVMI and local Leagues have cyber security coverage for response, recovery and liability up to \$500,000.

CLAIMS

In the event of an incident that might lead to a claim, no member or employee of the LWV should admit to any liability. The LWV member or employee should secure as many facts as possible and **immediately contact** the LWVMI office or President, who will then notify the insurance agent.

SPECIAL SITUATIONS

A local League may be asked by the city or the owner of a facility to provide an insurance rider (certificate) for an event in addition to LWVMI's General Liability policy. Note: A rider is different from providing proof of General Liability Insurance. If a rider is needed (as when alcohol is involved), the local League must call the LWVMI office at 517-484-5383 or email office@lwvmi.org as far in advance as possible. The local League must fill out an application form found [here](#) under LWV Only at lwvmi.org. LWVMI will then apply to the insurance agent for the rider. The cost to the local League is generally \$100.

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INSURANCE OVERVIEW (continued)

OPTIONAL FOR LOCAL LEAGUES

EXECUTIVE LIABILITY OR DIRECTORS & OFFICERS LIABILITY INSURANCE

LWVMI carries Directors and Officers (D&O) Liability Insurance to cover decisions made by the LWVMI Board of Directors (limit \$1,000,000). Prudent nonprofit organizations carry this coverage to protect their volunteer boards.

If not covered by LWVMI, local Leagues (not State Units) may participate in LWVMI's D&O Liability Insurance for \$100 per year. Participation means each local League's board is covered by LWVMI's \$1,000,000 policy.

Currently, all local Leagues in Michigan participate, which speaks well of the Michigan Leagues!

A local League may discontinue coverage at any time by providing notice and a signed Cancellation Request Form.

If the cost is not covered by LWVMI, local Leagues that wish to continue their participation in the LWVMI D&O policy will need to pay the fee when they receive an invoice in May or June of each year. If no invoice is received, that means LWVMI is covering the cost.

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IRS STATUS AND OBLIGATIONS OF LOCAL LEAGUES

➤ **Nonprofit and Tax Exempt Status**

Local Leagues in Michigan derive their nonprofit and tax exempt status from the LWV of Michigan. The LWVMI is incorporated as a nonprofit with the State of Michigan, and has 501c4 tax exempt status from the federal Internal Revenue Service (IRS). LWVMI has a group exemption, which allows it to share its 501c4 tax exempt status with local Leagues, which are LWVMI's "affiliates" or "subordinates." For local Leagues to maintain their tax exempt status, each must annually e-file IRS Form 990-N (see below for details). Each Local League has its own EIN (Employer Identification Number). Any new Local League must apply for an EIN.

Three local Leagues (Dearborn-Dearborn Heights, Grosse Pointe, Kalamazoo) have Education Funds that are incorporated with the State of Michigan and have the type of IRS tax exempt status called 501c3. LWV Grosse Pointe in 2019 opted to operate entirely from its 501c3 organization. The State League also has a separate Education Fund incorporated with the State of Michigan as a nonprofit organization and with 501c3 status. These are separate from LWVMI and local Leagues.

What is the difference between 501c3 and 501c4 nonprofit status with the IRS?

- 501c3 status is for organizations whose primary purpose is charitable, religious, educational, scientific or literary. 501c3s may not endorse or donate to political candidates but may engage in some lobbying.* For organizations with annual expenditures of \$500,000 or less, the limit is up to 20% of the organization's expenditures. Dues and donations to these organizations are tax deductible on one's federal tax return.
- 501c4 status is for social welfare organizations and local associations of employees. A 501c4 may endorse and donate to political candidates** and engage in lobbying* to achieve its social welfare purpose. Neither dues nor donations to these organizations are tax deductible on one's federal tax return.

*Lobbying as defined by the IRS means an organization communicating with government officials or employees—or asking for such communication by members of the organization or the general public—with regard to bills, acts, resolutions, ballot measures or the like.

**The IRS allows 501c4s to endorse and donate to political candidates. Note that the League of Women Voters is a nonpartisan organization, meaning it neither endorses nor donates to political candidates or parties.

Can local Leagues without a separate 501c3 Education Fund accept donations that are deductible on donors' federal tax returns?

Yes, LWVUS (National) has an Education Fund ("Impact Fund") that accepts donations on behalf of local Leagues. The LWVUS Education Fund then awards ("grants") the donated funds to the local League upon request by the specific local League to reimburse qualified expenditures.

➤ **Required Filing with the IRS: Form 990-N**

Local Leagues (not State Units) are required to e-file IRS Form 990-N annually by November 15. This form is for tax-exempt organizations whose gross receipts are normally \$50,000 or less.

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About filing

- All filers must register at IRS.gov prior to filing their next Form 990-N. This is a one-time registration; you won't be asked to register again when filing the next year.
- Form 990-N must be completed and filed electronically. There is no paper form.
- Use the Form 990-N Electronic Filing System (e-Postcard) [User Guide](#) while registering and filing.
- For filing system and website issues, see [How to File: Frequently Asked Questions](#). If site issues are unresolved, call TE/GE Customer Accounts Services at 877-829-5500. A representative will file your Form 990-N information.
- Organizations should continue efforts to file, even if late.

Form 990-N filing due date

Form 990-N is due every year by the 15th day of the 5th month after the close of your [tax year](#). For all Leagues in Michigan, this means by November 15.

You cannot file the *e-Postcard* until after your tax year ends.

If the due date falls on a Saturday, Sunday, or legal holiday, the due date is the next business day.

If your 990-N is late, the IRS will send a reminder notice to the last address it received.

Penalty

While there is no penalty assessment for filing Form 990-N late, organizations that fail to file required Forms 990, 990-EZ or 990-N for three consecutive years will [automatically lose their tax-exempt status](#). Revocation of the organization's tax-exempt status will happen on the filing due date of the third consecutively-missed year.

Information you will need for Form 990-N

1. [Employer identification number](#) (EIN), also known as a Taxpayer Identification Number (TIN).
2. [Tax year](#)
3. Legal name and mailing address
4. Any other names the organization uses
5. Name and address of a principal officer
6. Web site address if the organization has one
7. Confirmation that the organization's annual [gross receipts](#) are \$50,000 or less
8. If applicable, a statement that the organization has terminated or is terminating (going out of business)

Ready to file?

After you have read the information above and the User Guide, use the [Form 990-N Electronic Filing System \(e-Postcard\)](#) page to start the process.

Tip: At the 990-N page, type your League's EIN; hit enter. The name LWVMI comes up. You may or may not see your local League's name here. (Each local League has its own EIN, so you can be sure this is your League's IRS account.) Hit enter again. On the next page the local League's name is shown; hit enter. On the third page enter the local League's address and treasurer's name as the contact person; hit enter to submit the form.

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STATE (MEMBER-AT-LARGE OR MAL) UNITS

Legal and Nonprofit Status

- In terms of the law and the IRS, State Units are considered part of LWVMI, the State League. LWVMI is incorporated as a nonprofit in Michigan and has 501c4 nonprofit status with the IRS.
- State Units use LWVMI's EIN (tax ID or Employer Identification Number).
- When LWVMI files IRS Form 990, it includes State Units in the information filed.
- State Units do not file IRS Form 990-N; independent local Leagues do file Form 990-N.

Financial Practices

- State Units have their own bank accounts.
- State Units have an LWVMI Board member, usually the Membership VP, as a co-signer. This is so LWVMI will have access to the assets in case the Unit ceases to exist.
- State Units should strive to observe as many of the Financial Policies and Procedures (p. 1) as possible.
- State Units must send to the LWVMI Treasurer by August 1 each year: budget vs. actual of the prior fiscal year (July 1-June 30), amount of assets, and the budget for the current fiscal year.

Insurance

- State Units are directly covered under LWVMI's insurance because State Units are legally part of LWVMI.

Status vis-à-vis LWVUS (National League)

- LWVUS offers State Units a League ID number.

Membership and Dues

- LWVMI handles the ChapterSpot enrollment of members for State Units in existence as of February 2026, if the units prefer that.
 - LWVMI forwards to State Units the local League portion of dues.
 - LWVMI forwards any donations made to State Units via ChapterSpot to State Units.
- Any new State Units after February 2026 will use ChapterSpot to manage their own membership roster, dues and donations.