

**INSTRUCTIONS FOR PREPARING REPORT**

1. All information on this report complies with the Internal Revenue Service requirements for maintaining the Imperial Council's group exemption, in addition to, complying with the statement of financial position per Shrine Law Section 337.8. It must be **TYPEWRITTEN** in duplicate. The original should be mailed to the Temple Office sponsoring the Club or Unit by February 10th. Keep the duplicate for your records. **NOTE:** Please disregard the line # references to Form 990 as they are for the tax preparer's use only.

2. The financial statements should be prepared on a modified accrual basis. See "Temple Financial Manual" (B.A.T.S.), Section 2, Pages 38-41, for detailed instructions.

3. Check the following items:

- a) Be sure additions and subtractions are correct and are in agreement with the underlying records.
- b) The amount entered for "Balance, beginning of year" in Net Assets section, **must agree** with the amount reported for "Balance, end of year" in the prior year's Financial Statements.
- c) When the surplus (deficit) in the Statement of Activities is added to or deducted from the Net Assets "Balance, beginning of year," the result represents the Net Assets, end of year. Total Assets must equal Total Liabilities & Net Assets. **Note:** This is an EXCEL spreadsheet and will automatically calculate if you complete it on-line.

4. Revenue accounts: (report all applicable line items)

- a) There are two types of Shrine fundraisers: Charitable and Fraternal. Fundraising gross revenues must be identified by type. Include on the line "Fundraising (Gross) – Charitable" the total of all revenues reported on the Shrine Charity Activity Forms completed during the year. Total revenues from fundraisers for the benefit of the club or unit should be reported on the line "Fundraising (Gross) – Fraternal." The associated expenses to sponsor the fundraiser are to be reported on the appropriate lines in the EXPENSES section.
- b) Social activities and visitation reimbursements include the gross receipts from sale of tickets for trips, dances, etc., not held for fundraising purposes.
- c) Investment income should include dividends and interest actually received during the year plus the amount of interest credited to the account as of December 31.

5. Expense accounts: (report all applicable line items)

- a) Fundraising expenses include the cost of holding activities listed under 4 (a).
- b) Social activities and visitation expenses include all costs of entertainment, transportation, lodging, meals, etc., incurred in connection with the activities listed under 4 (b).
- c) Member's relations include gifts to Nobles such as flowers.
- d) Transfer to temple represents donations to Temple's operating and designated funds.

6. A detailed list of activity should be attached for the accounts requested on the Statement of Financial Position. For each checking and saving account, attach a copy of December 31 year end and following January 31 bank statements. Any unusual amounts should be supported by a detailed list or explanation.

7. General Order No. 1 does not allow net proceeds from charitable fundraisers to be held by a club or unit. General Order No. 1 states that up to 1/2 net proceeds may be requested to be held by a temple to be used exclusively for hospital patient transportation expenses. The results of the charitable fundraising activity must be reported to the Temple Potentate on the Charity Activity Form and submitted to the Executive Vice President – Imperial Council within sixty days of the activity. A club or unit is not permitted to maintain a separate hospital patient transportation fund.

8. Underlying accounting records, bank statements, receipt books and invoices should be kept available for inspection and audit for at least seven (7) years.

I hereby declare under the penalties of perjury that this authorization (including any accompanying schedules and statements) has been examined by me and to the best of my knowledge and belief is true, correct and complete and made in good faith.

Sign

Here:

\_\_\_\_\_  
Signature of Officer Preparing Form                      Date                      Title                      Phone Number

\_\_\_\_\_  
Chairman of Audit Committee                      Date                      Phone Number