

Section

# 8 Club Finances

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Club Presidents and Finances

Budgeting

Frequently Asked Questions

Club Liability Insurance

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*“Add up what you have,  
and you’ll find that you won’t sell them  
for all the riches in the world.”*

— Dale Carnegie —

## **CLUB PRESIDENTS AND FINANCES**

The club treasurer plays an integral role in member satisfaction and retention since the treasurer is the most direct communication link between club members, the district and Altrusa International. Members become disenchanted with Altrusa when they do not receive the services that they have paid for such as the *International Altrusan* and the *District Service Bulletin*.

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### **To the president**

Even though there is a Club Treasurer, a Finances Committee, and, if applicable, a Foundation Board of Directors, you as president are ultimately responsible for the success of all aspects of the club and none more so than finances.

As the president you must know that your treasurer is functioning in a timely and thorough manner.

It is important for you to understand the following aspects of club finances:

- Budgeting, both operating and service
- General fiscal procedures
- Legal aspects of certain fund raisers
- Club insurance - Club Liability Insurance for all club activities is covered by a Policy purchased by International. Club Bond has to be purchased by the club. - See Page 124

These items will be covered in this section of the handbook for your benefit. In addition there are policies in the *Bylaws and Policies Manual* that cover fund raising and a good section in the *Encyclopedia*. Read these manuals carefully.

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### **Encourage**

Encourage your treasurer to attend all training sessions designed with her/his position in mind. Most districts hold a treasurer's workshop at their district conference. As soon as the election is completed begin discussing the need for her/him to be at the conference.

It is also the responsibility of the outgoing treasurer to fully train the incoming treasurer. Your role is to see that this happens.

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### **Where do we obtain printed information?**

The yearly *Club Treasurer's Guide* is the best source of information concerning the responsibilities of the treasurer. This is sent directly to the treasurer in April. If you wish to study it, the guide may be accessed from the Altrusa web page at [www.altrusa.com](http://www.altrusa.com).

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## Important dates

- June 15
  - All dues must be mailed or at least postmarked by this date to prevent a delinquency fee.
  - Convention fee due to International
- July 10
  - Last day to retain membership. All unpaid members are dropped.
- October 15
  - In the United States, IRS Form-990 is due if the club has gross receipts of over \$25,000.
- December 1
  - Half-year (half price) dues go into effect for new members.
- March 31
  - Last day for half-year dues. Keep in mind that the member who pays half year dues now will also be billed for full year dues in May.
- April 1
  - New members paying dues between April 1 and May 31 pay full annual International, District, and club dues which represent dues for April of the current year through May of the following year. (A year and two months dues)

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## Audit

Remember to schedule an end-of-the-year audit. As soon as the outgoing treasurer is able to finalize the year's financial information, the books should be audited.

## BUDGETING

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### The general operating budget

The general operating budget is based on anticipated income from membership dues and processing fees and on estimated income from sources other than solicitation from the general public.

The general operating budget must provide for the following expenses:

- International dues
- Membership processing fees
- District dues
- International Convention fee
- District Conference fee, if any
- Club Officer and Committee expenses
- Yearbook printing expenses
- Newsletter printing and distribution expenses
- Delegates expenses for District Conference
- Delegates expenses for International Convention

Note: A member's annual dues are equal to the sum of International, District and local club dues. In addition to this, new members pay an International membership processing fee, plus a club initiation fee to cover the cost of a new member kit and pin. The initiation fee is optional; some clubs purchase kits and pins for their new members.

The following sample budget form is a handy tool to use during the actual budgeting process. If clubs prefer, they may publish the final budget using only the amount budgeted for each item.

**Operating budget *sample***  
**Service project budget**

The service project budget is based on the anticipated in-

<b>Income</b>		<b>Previous year's budget</b>	<b>Previous year's actual</b>	<b>Proposed budget</b>
	Returning members @ _____	\$ _____	_____	_____
	New members:			
	_____ Full year dues @ _____	\$ _____	_____	_____
	_____ Half year dues @ _____	\$ _____	_____	_____
	<i>Total income from dues</i>	\$ _____	_____	_____
	Processing fees @ _____	\$ _____	_____	_____
	Interest income	\$ _____	_____	_____
	Miscellaneous income	\$ _____	_____	_____
	<b><i>Total Income</i></b>	\$ _____	_____	_____
<hr/>				
<b>Expenses— Fixed</b>	International dues @ _____	\$ _____	_____	_____
	District dues @ _____	\$ _____	_____	_____
	Int'l processing fees @ _____	\$ _____	_____	_____
	District Conference fee	\$ _____	_____	_____
	International Convention fee	\$ _____	_____	_____
	Treasurer's bond	\$ _____	_____	_____
	<i>Total fixed expenses</i>	\$ _____	_____	_____
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<b>Expenses— Operating</b>	President: Office expenses	\$ _____	_____	_____
	Other Officers: Office expenses	\$ _____	_____	_____
	Committee Chairs	\$ _____	_____	_____
	Yearbook (printing)	\$ _____	_____	_____
	Newsletter (printing and postage)	\$ _____	_____	_____
	Supplies (stationery, pins, kits, etc.)	\$ _____	_____	_____
	Mailings (postage)	\$ _____	_____	_____
	Telephone	\$ _____	_____	_____
	Dinner guests	\$ _____	_____	_____
	Delegates—Int'l Convention	\$ _____	_____	_____
	Delegates—District Conference	\$ _____	_____	_____
	Members to District workshops	\$ _____	_____	_____
	Miscellaneous	\$ _____	_____	_____
	<i>Total operating expenses</i>	\$ _____	_____	_____
	<b><i>Total Expenses</i></b>	\$ _____	_____	_____

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come from any fundraising activities held during the current year, donations earmarked for service projects, and unexpended service project funds from the preceding year. This budget provides for service project expenses, including the following:

- Donations to fund community or international projects
- Material and service purchases for service projects
- Fundraising expenses

**Note**

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Contributions to the Altrusa International Foundation may be budgeted in either the general operating or service project budget. All club members and the general public should be solicited for additional voluntary contributions.

A club in the United States that establishes a 501 (c)(3) foundation must also establish a separate budget for the foundation's operations in accordance with all provisions contained in the information supplied to clubs by the Altrusa International Foundation.

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Any club interested in establishing a foundation may contact the International Foundation Administrative Assistant at the International Office for information. Refer to Section 15 for more information.

**Service budget  
sample**

<b>Income</b>	<b>Balance as of May 31, 20__</b>			
	Fund-raising activities:			
	_____	\$ _____	_____	_____
	_____	\$ _____	_____	_____
	_____	\$ _____	_____	_____
	Miscellaneous	\$ _____	_____	_____
	<b>Total Income</b>	\$ _____	_____	_____

<b>Expenses</b>	List separately for each project:			
	_____	\$ _____	_____	_____
	_____	\$ _____	_____	_____
	_____	\$ _____	_____	_____
	Altrusa International Foundation donation	\$ _____	_____	_____
	_____			
	Fund-raising expenses	\$ _____	_____	_____
	_____			
	<b>Total Expenses</b>	\$ _____	_____	_____
	_____			

## **FREQUENTLY ASKED QUESTIONS ABOUT FUND RAISING**

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### **In the United States**

**May clubs conduct raffles?** Even though raffles are a relatively easy way to make money they can and do cause legal problems for many clubs. No set rules can be established since every country/state differs in its laws. The best advice is to call your country/state's Gambling or Gaming Commission for details concerning the laws in your area. Be sure to ask how much of the proceeds can be used to cover raffle expenses and how much, if any, can be used for club operating expenses.

**How much of the income from projects advertised to the public for the purpose of funding service projects can be used for operating expenses?** In the United States it is illegal to use funds advertised for service project fund raising for operating budget expenses.

**How do we earn money for operating expenses?** The general operating budget is based on anticipated income from membership dues and processing fees and on estimated income from sources other than solicitations from the general public. For example the sale of Entertainment Books to club members is perfectly legal for operating expenses; however, if they are sold to the general public the income should go into the service or club foundation budget.

**May money be taken out of club foundation funds for operating expenses?** NO, for those clubs in the United States that have club foundations, you may take excess funds out of the operating budget and place them into the foundation account. However, funds may never be taken out of the foundation and placed in an operating budget.

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### **Countries other than the U.S.**

For answers to the questions above the best advice is to check with a lawyer or an accountant in your country.

## CLUB LIABILITY INSURANCE

On the next few pages is information from our insurance company concerning club liability insurance and most frequently asked questions about the insurance.

This information is intended to give a brief outline of coverage and the types of events the policy covers. Nothing included here should be construed to extend, alter, vary or waive any provisions of the policy.

The following questions and answers will give you some idea of the coverage provided by your Club Liability policy. Please destroy all previous editions.

Q. What is Club Liability Insurance?

A. It is Commercial General Liability coverage, designed to cover the Altrusa Clubs and their members and volunteers for acts for which they become LEGALLY OBLIGATED TO PAY. The company doesn't provide coverage for moral obligations – just legally enforceable liabilities.

**Important:** In order to ascertain whether or not a certain Club activity would be covered, or if you have specific questions, it is suggested that you contact our insurance administrator at least 30 days prior to any event which you may be undertaking. Your District governor has been furnished a copy of the master policy which is available for your inspection and review. However, it is suggested that you contact our insurance administrator for answers to specific questions.

Q. Briefly, what does Club Liability insurance entail?

A. The policy provides coverage for bodily injury and property damage in the amount of \$2,000,000 for each occurrence. The coverage provides protection for broad form property damage, host liquor liability, incidental malpractice, product liability, fire legal liability (\$50,000), etc.

Q. Who is insured?

A. All Altrusa members and volunteers while acting at the direction of and within the scope of their duties for you.

Q. Is an injury caused by a Club member or volunteer assisting on a special event covered?

A. Yes, but only if there is a legal liability resulting from negligence on the part of the insured.

Q. How would this insurance help a member or volunteer as an individual?

A. When involved in Altrusa-sponsored events, you have the added protection of this liability coverage. Remember, coverage is only provided for those incidents for which you are held legally liable.

- Q. Is bodily injury or property damage sustained by a Club member or volunteer covered?
- A. No, their personal insurance more than likely covers such claims.
- Q. Are any Workers Compensation benefits provided?
- A. No, injuries incurred by Club members or volunteers while working at an event would be covered by the local Club's Workers Compensation policy, if coverage exists at all.
- Q. What is the situation if an outside party conducts or assists in conducting an Altrusa sponsored activity?
- A. In general, the policy applies to most fund-raising activities of Clubs and Districts with the exception of the operation, use or maintenance of autos, aircraft, and certain watercraft. However, it should be emphasized that proper certificates of insurance must be obtained from any party who conducts or assists in conducting any activity sponsored by Altrusa. Thus, the operators of carnivals, fairs, rodeos, concessionaires or any other parties conducting functions for Altrusa must carry their own liability insurance policy, and their policy should specifically name the Club and Altrusa as additional insured or insured for the specific event being sponsored. Extra hazardous events such as fireworks displays, demolition derbies, etc., are excluded from coverage under this policy.
- Q. Does this policy defend against incidents of food poisoning (product liability)?
- A. Yes.
- Q. Is there coverage for legal liability for damage by fire to buildings used for a special event by your Club?
- A. Yes, only if damage is caused by fire. Coverage is limited to \$50,000.
- Q. Does this insurance replace all kinds of insurance which are now purchased by every Club?
- A. No, this policy does not provide all of the various types of insurance needed by a Club. Each Club should consult their local agent for any additional coverage.
- Q. Is there a deductible amount before benefits are payable?
- A. No.
- Q. Is there coverage for damage to Club-owned property?
- A. No.
- Q. Does the policy cover loss or damage to items left in your care and custody such as furs, antiques, paintings, or other works of art?
- A. No.
- Q. Does this policy cover on-going projects?
- A. No, if you are involved in on-going projects of any kind, it may be necessary for you to obtain your own policy for these projects. The Club Liability policy is intended for special fund-raising events of a short duration.

Q. Are District and other Altrusa conventions and meetings covered when held at non-owned premises?

A. Yes, if held in the United States, its possessions and territories, Puerto Rico or Canada.

Q. Are Club-sponsored "float" or "rafting" trips covered?

A. No, all watercraft activities are excluded.

Q. Is there liability coverage for automobiles, buses, trailers, etc., owned, hired, rented by or loaned to the Club?

A. No, it is recommended that the owners of such vehicles provide evidence of insurance and add the local Altrusa Club and Altrusa as an additional insured on their policy.

Q. Is a Club-sponsored turkey shoot covered?

A. No, all events involving firearms are excluded.

Q. Are snowmobiles covered?

A. No.

Q. Our Club is holding a fund raising event where liquor will be sold. Does this coverage apply?

A. Yes, subject to the policy limitations and exclusions. However, caution must be exercised to ensure that minors or intoxicated persons are not provided with alcoholic beverages.

Q. If our Club contracts with others to conduct a special event, does this policy protect us?

A. Yes. However, the other parties' liability insurance is primary. Proper certificates of insurance naming your organization as an additional insured on their policy should be obtained.

Q. Our Club owns a refreshment trailer from which members sell food and beverages at fairs, picnics, and other functions. Does our policy cover this exposure?

A. There is no property damage coverage for owned property. However, the trailer is covered for general liability while it is parked on location for use as a refreshment stand.

Q. What are some typical events covered by this policy?

A. Fashion Show	Beauty Pageant	Festival of the Trees
Annual Card Party	Boutique	Monte Carlo Night
Shakespearean Comedy	Casino Night	Home Tours
Dance	Craft Fair and Barbecue	Oktoberfest
Annual Bazaar	Women of Achievement	Youth Forum
Antique Show	Luncheon	Rummage Sale
Auction	Flea Market	Strolling Clowns
Attic Sale	Adult Center	Wine Tasting
Theatre Production	Walnut Festival	Bicycle Ride
Talking Train	Bingo Night	Ducky Derby

- Q. What is not covered by this policy?
- A. Fireworks and other exploding devices, including firearms;  
 Boxing participants;  
 Racing, speed and demolition contests, including BMX bicycle races;  
 Aircraft, hot air balloons, gliders, sky diving;  
 Commercial and recreational ventures such as bowling alleys, roller and ice rinks, swimming pools, etc.;  
 Absolute pollution, PCB and Asbestos;  
 Pollution – sudden and non sudden;  
 Watercraft (all forms)  
 Carnival rides and equipment (dunking tanks, carrousel, etc.);  
 Outside organizations (i.e., Scouts, athletic teams, recreational centers);  
 Motorized vehicles – licensed and unlicensed.

- Q. How does a Club obtain a certificate of insurance?
- A. A certificate of insurance will be issued to your Club on request for any specific function which your Club may be sponsoring. However, it is not necessary for you to request a certificate in order to be covered under this policy. A certificate is often required by certain municipalities when buildings or parks are being used for Club activities. It is for this reason we suggest you notify our administrator in writing and provide them with the following information: date(s) of the event; location; type of function; approximate number attending; name and address of the party requesting the certificate (Park District, School District, etc.).

**Important:** Certificates should be requested at least 30 days prior to an event. Be sure to include your mailing address and telephone number where you can be reached during business hours in case you have to be contacted to clarify any of the details.

- Q. When should a claim be reported and how does a Club respond to a claim?
- A. All incidents or occurrences that might lead to claims should be reported promptly to Group Administration Agency, Inc. When a claim situation arises, DO NOT admit liability or suggest that a settlement may be offered. If correspondence or other communication is received indicating there may be a claim against a member, Club or District for damages or injury, a report should be made immediately. Satisfactory claim settlements can best be made by those properly trained for this function. No member of a Club should enter into negotiations with a claimant unless requested to do so by the insurance company or General Counsel of Altrusa International.

- Q. Who should we call for information regarding the plan, or for assistance?

- A. Group Administration Agency, Inc.  
 20 North Wacker Drive #2700  
 Chicago, Illinois 60606  
 Voice: 800.621.1666  
 Fax: 312.372.7919  
 Email: [group@gaapia.com](mailto:group@gaapia.com)  
 Ask for the Club Liability Information Desk or James A. Lynch