

## 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 # which is in parenthesis showing 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 ½ 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      Printed Name      Date      Title      Phone Number

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

## SHRINE UNIT & COMMITTEE INSTRUCTIONS FOR COMPLETING FINANCIAL REPORTS

**Report Deadline is March 1, 2012**

### STEP 1

#### REPORT OF SHRINE CLUBS AND TEMPLE UNITS (Form 1 for Units & Committees)

##### Statement of Financial Position (right side of Form)

- 1) Assemble and copy ALL bank statements for December 2011 & January 2012
- 2) Enter the closing balance amount from your bank statements as of December 31, 2011 in the appropriate asset headings (checking, savings, CD's, etc.)
- 3) Total the checks you have written that have not cleared the bank as of the December 2011 statement.
- 4) Enter the total of the outstanding checks as "Other Liabilities"
- 5) Total the ASSETS (Line a) and the LIABILITIES (Line b)
- 6) Subtract the Total Liabilities (Line b) from the Total Assets (Line a) and enter that amount on Balance, end of year (Line c) under NET ASSETS.
- 7) Subtract the "Balance, beginning of the year" from the "Balance, end of year" and enter that amount (positive or negative as the case may be) on the line marked "Surplus (Deficit) (that should equal Line 14 on the left)"

##### **NOTE:**

**You may not change** the amount shown as the Balance, beginning of the year as that is what you reported last year as your ending balance and what was reported to the Internal Revenue Service on your behalf. *If you feel that is incorrect, please call the Medinah office for instructions.* You have now arrived at the amount that represents the change in the assets of your group as a result of doing business during the year.

### STEP 2

#### Statement of Activities (left side of Form 1 for Units & Committees)

##### **REVENUES**

**Line D** Total all that was given to your Unit or Committee.

**Line E** Include the gross receipts from sales of tickets for trips, dances, dinners, etc. not held for fundraising purposes.

**Line F** Total any monies cleared on your meetings (like 50/50 drawings, etc) and/or OVs.

**Line G** Total all that your Unit or Committee received from its members.

**Line H** Investment income should include dividends & interest actually received during the year plus the amount of interest credited to the account as of December 31 for all accounts.

**Line I** Any "Official" Fraternal fundraiser gross receipts for the year go here

**Line J** Any "Official" Charitable fundraiser gross receipts for the year go here

**Line K** If you collected any sales tax (most Units & Committees will not) put total here.

**Line L** Monies that you made during the year that you can't fit into the above categories go here.

**TOTAL REVENUES** (add Lines D through L)

##### **EXPENSES**

**Line 1a** Most Units & Committees don't have this expense but list it if you do

**Line 1b** This includes mailings, stationary, copying, postage, etc.

**Line 1c** This applies to licenses for parade vehicles, association fees, etc.

**Line 1d** List all interest on loans to the Unit or Committee (You probably don't have a loan or indebtedness)

**Line 2** If this applies to your Unit or Committee, list Depreciation separately on Line 13

**Line 3** Total all expenses from your trips, dances, dinners, etc. not held for fundraising purposes.

**Line 4** Total all expenses from meetings and OVs.

**Line 5** If your Unit or Committee paid dues to belong to an organization fill in amount.

**Line 6** If you printed posters for events or incurred cost of photos to give to newspapers, etc put total here.

**Line 7** Contributions made to a charity like the First Lady's project, Transportation Fund or Hospital or to any other charitable cause where the funds come from your Unit or Committee activities, instead of an Official Hospital Fundraiser.

**Line 8** Any "Official" Fraternal fundraiser gross expenses for the year go here

**Line 9** Any "Official" Charitable fundraiser gross expenses for the year go here

**Line 10** If you sent flowers, cards, candy to a member as good wishes that expense goes here.

**Line 11** Transfer to temple represents donations to Temple's operating and designated funds.

**Line 12** Other expenses during the year that you can't fit into the above categories go here.

**TOTAL EXPENSES** (add Lines 1 through 12)

**Excess of Revenues/(Expenses): Subtract TOTAL EXPENSES from TOTAL REVENUES**

**Any questions regarding this form or other matters regarding the audit please do not hesitate contact me at the office.**

**Scott W. Sonnenberg, Recorder Office: 630-889-1400 Email: [scott@medinah.org](mailto:scott@medinah.org)**

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