

New Jersey National Guard



Family Readiness Group Treasurer's Handbook

For Commanders, Family Readiness Group Leaders and Treasurers

14 January 2009

Major Changes This Version

1. This handbook has been completely reorganized and reformatted. Please read the entire handbook.
2. DA Form 4712 *Family Readiness Volunteer Agreement* is no longer authorized and has been replaced by DD Form 2793 *Volunteer Agreement For Appropriated Fund Activities & Non Appropriated Fund Instrumentalities* per AR 608-1
3. The FRG Informal fund amount allowed is now \$10,000 per Army Directive 2008-01, *Increase In Family Readiness Group Informal Fund Cap* dated 07 Mar 2008.
4. “Commander” definition is clarified in the Glossary for purposes of this Handbook only.
5. Clarified definition of a year as 01 January – 31 December. Annual and quarterly reports will be based on this definition.
6. Added an appendix on fundraising limits to try and clarify AR 608-1, Appendix J

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CHAPTER 1: Overview of FRG Funds

There is much misunderstanding about the purpose of an FRG, fundraising, and what an FRG can and cannot do concerning support to Families and Soldiers. While this handbook is primarily for the Treasurer it is a good idea to review a few key points about why an FRG exists before we discuss the financial aspects of an FRG. Let's discuss what AR 608-1, Appendix J states about FRG's (this is an extract highlighting certain key points and not the entire scope of what AR 608-1 has to say about FRG's):

- ❖ An FRG is a command-sponsored organization of Soldiers, civilian employees, family members (immediate and extended) and volunteers belonging to a unit. *FRGs will provide mutual support and assistance, and a network of communications among the family members, the chain of command, and community resources.* They will also provide feedback to the command on the state of the unit "family." (Italics added)

Notice the regulation states that you are "command sponsored" which means the FRG exists because the unit commander desires to have an FRG. To provide a communication network between the command and the FRG member's regular meetings may be held, emails sent, and newsletter provided to keep members informed. Additionally, by holding regular meetings and social events the FRG provides a forum for easing the strain of deployments and keeping the morale of the members at a high level so that soldiers can concentrate on their duties and not worry about their loved ones.

- ❖ Unit commanders will ensure that their FRGs appeal to all service members, civilians, and family members regardless of rank structure or family size, composition, language spoken, and other characteristics.

FRG's must be open to all personnel who wish to attend. A personal club or a friend's only environment is not authorized. Activities, fund raising, expenditure of funds must benefit all who wish to partake in the FRG. You cannot exclude a particular group of people and should avoid a perception of spending funds for only a certain group of members. If you decide to have a party, the party needs to be open to everyone. Instead of having a "children's party" it may be better to have a "family" fun day where anyone who wishes to come and have some fun can do so. Don't have an event just for enlisted spouses, or the officer spouses, etc.

- ❖ The FRG is a unit commander's program formed in accordance with AR 600-20. *FRGs are not a morale, welfare, and recreation program; a NAFI: a private organization; or a nonprofit organization.* (Italics added)
- ❖ Fundraising must be for the organization's informal fund, as opposed to a private charity, a particular military member, or a similar cause, and be approved by the commander with cognizance over the organization....
- ❖ FRGs are not established to raise funds, solicit donations, or manage large sums of money. They are not equipped to handle the complex tax ramifications and stringent accounting requirements that can result from excessive informal funds. FRG informal funds will therefore not exceed an annual gross receipt (income) cap of \$10,000 per calendar year from all sources, including fundraising, gifts, and donations.

The FRG cannot become a MWR function for either the families or soldiers. Providing emergency loans, buying “stuff” to loan out, providing entertainment opportunities (other than certain occasional social activities), or sport equipment for loan or rent are not authorized. There are other organizations chartered and set up to provide MWR functions. The FRG cannot buy equipment for soldiers that come through official Army channels. An FRG cannot raise money to donate for charitable purposes nor can an FRG receive money as a charitable organization. Only a 501C.3 organization recognized by the IRS can claim the rights and privileges as a charitable organization and AR 608-1 specifically disallows an FRG from becoming a charitable organization. Remember, your primary purpose is to provide a communication and support mechanism for the FRG members and the Unit Command.

Finally, Some people say that “we” are in the National Guard and therefore Army Regulations don’t apply. However, AR 608-1 states:

Applicability. This regulation applies to the Active Army, the Army National Guard/Army National Guard of the United States, and the U.S. Army Reserve unless otherwise stated.

If any FRG leader or unit Commander is under the impression that they can disregard AR 608-1 and do whatever they please concerning fundraising and spending of the money, then you as the Treasurer need to call the NJNG JAG office and the State Family Programs Director to ensure what is going on complies with appropriate regulations and protect yourself from any liabilities arising from possible unauthorized activities. Remember, as a Statutory Volunteer you are protected under the law only as long as you follow the law.

So let’s discuss your role as Treasurer in the FRG.

The mission of Family Readiness Group (FRG) is to provide mutual support and assistance and a network of communications among the family members, the chain of command, and community resources. This is accomplished through three key activities:

1. Enhance the flow of information between the command and families.
2. Provide information, referral assistance and mutual concern.
3. Provide activities that enhance the well-being and esprit de corps within the unit.

FRGs are not established for the purpose of being a fundraising organization, however, Commanders may authorize FRG members to establish an informal fund. The Commander appoints an FRG Treasurer to maintain and manage the FRG account, but the ultimate responsibility for the account remains with the Commander.

Family Readiness Group funds are considered informal funds as long as they do not exceed \$10,000 in any given year. A year is considered 1 January through 31 December. Commanders may authorize the FRGs to establish an informal fund providing the following conditions are met:

1. Account is limited to an annual income cap of \$10,000.

The FRG informal fund account may not exceed \$10,000 income per year, nor shall it exceed \$10,000 balance at any time. FRGs may not accept donations or fundraise until the informal fund

balance drops below \$10,000. (Should the account exceed \$10,000, the Group could be considered a Private Organization such as the Red Cross and become subject to the same IRS regulatory requirements or tax liabilities). Should you write checks near the end of December, stress the importance of cashing the checks quickly. Your bank balance at the end of December becomes your starting balance on 1 January and counts towards the new years \$10,000 limit even though you may still have checks outstanding. For a more complete discussion Appendix H.

2. Commanders appoint a Treasurer and an alternate responsible for maintaining, accounting for and documenting spending of the fund.

File the treasurer appointment letters in the unit's Family readiness binder and send a copy at the State Family Program Office. The treasurer is responsible for maintaining simple accounting records and receipts which document transactions of FRG funds. Military personnel can not serve as treasurers or signatories on FRG accounts.

3. Ensure the account's use is limited to expenses consistent with the purpose and function of the fund.

Ensure funds are utilized for the purpose they are raised, for example, homecomings, Holiday Party, volunteer recognition, etc. Further ensure that the funds are managed upholding military ethics and ideals.

4. The treasurer must sign a DD Form 2793, Volunteer Agreement For Appropriated Fund Activities & Non Appropriated Fund Instrumentalities.

Send a copy to the State Family Program Office and file the original in the unit's Family readiness Binder. This form states they are a statutory volunteer serving in an official capacity in direct support of the National Guard Family Program.

5. Prior to opening a FRG account, Apply for an Employer Identification Number (EIN #), by completing IRS Form SS4 or apply online at www.irs.gov.

Applying and receiving your EIN # allows you to avoid use of your personal Social Security Number when opening the account. If SSN is used for reporting to the IRS, account may be perceived as personal income by the Internal Revenue Service. The EIN does **NOT** designate you as a charitable organization or exempt you from having to pay Federal and State sales taxes. Reference Appendix I: EIN Application Sample for further information and instructions.

6. Open a non-interest bearing account in a federally insured financial institution.

When signing checks, a minimum of two volunteer signatures is required. Military member cannot hold signature authority or be on the account. Note: Checks must be printed with "Requires two signatures" on the signature line.

7. Family Readiness Groups are not non-profit organizations and therefore must pay sales tax on items purchased.

To be exempt from sales tax you must file paperwork with the State of New Jersey and is a separate application for non-profit organizations. You work in supporting the soldiers and their families only and as such do not qualify as a charitable organization.

8. FRG informal funds can not augment other unit informal funds such as the unit's "cup and flower" funds.

FRG informal funds can not be deposited or mixed with personal or other unit funds.

9. FRG informal funds can not be used to purchase items or services which may be paid for using military funds or for items not related to Family readiness such as service member farewell gifts.

Funds can not be given to a military unit to purchase additional supplies, equipment or to fund additional training.

10. FRG Informal Fund Standard Operating Procedure (SOP).

FRGs with an informal fund **must** have an organization SOP that provides the following information: the FRG name, a description of the FRG's purpose and function of the fund, and it must include the following statement:

"The FRG informal fund is for the benefit of its members only. It is not a business and is not being run to generate any profits. FRG expenditures will be in accordance with the wishes of the majority of FRG members and all fund raisers must have Command approval before proceeding."

A sample SOP letter can be found in Appendix G which may be used as a guide if your FRG doesn't already have an SOP. File the SOP in the unit's Family readiness binder after the Treasurer signs the document.

11. Plan a yearly budget to provide an outline of planned activities and required funds.

Budgets are an important part in ensuring you comply with the \$10,000 yearly fund cap and to see what you are planning throughout the year. The budget may be created by you, but you need to work in conjunction with other FRG leaders and the membership to decide on the events you wish to plan for the FRG and the plan on how to fund it. With a budget in place, you can estimate the approximate cost of each event and how much money you may need to raise. The budget is NOT written in stone and things may be added or taken away as the FRG wishes. A budget will give you a starting point on which to base your decisions on and help ensure compliance with monetary regulations.

12. FRGs (statutory volunteers) may only conduct internal fundraising with command approval amongst their own members.

Comply with Army Regulation 600-29, Fundraising within the Department of the Army, paragraph 1-5, and DOD 5500.7-R, Joint Ethics Regulation and Army Regulation 608-1, App J. These activities are done internally on a military installation such as an armory where fund raising participants are limited to unit military members and their families (by us, for us). They may not conduct external fundraising per National Guard Bureau and Department of the Army Guidance. Clear fund raising questions through JAG if you are in doubt about the circumstances.

13. FRG expenditures must benefit the entire FRG membership in some way.

Expenditure of FRG Informal Funds must benefit the entire membership in some way and be approved by the majority of FRG members to be used. It is notable that expenditures must

benefit the entire membership. However, this does not mean that every member should receive precisely the same benefit as the next. Since FRG members have different circumstances, such as married vs. single, children vs. no children, new vs. experienced, and so on, expenditures on these various groups are necessarily different. The entire FRG benefits, though, due to the positive impact on morale and the event has an open invitation to all members who would like to attend. Try to avoid having solely a children's event or adult event. Additionally, don't have 6 events solely for those with children. Mix it up and have an adult night, children's party, luncheon for the entire family, etc. Spread the funds out to include all eligible people throughout the year.

14. FRGs may not solicit or give donations or gifts.

However, Unit Commanders in conjunction with the State Family Program Director may accept/approve UNSOLICITED donations to the FRG informal fund of \$1000 or less (annually). This donation counts as FRG income and counts against the FRG \$10,000 annual income cap. FRGs offered large donations or gifts, should be referred to your commander and the JAG. All donations must be "unconditional" and a donation acknowledgement letter may be provided to the donor (sample letter found in Appendix E). Maintain a copy of the acknowledgment letter unit's Family readiness binder.

15. Provide a yearly and quarterly Treasurers Report to the Commander.

This keeps the commander informed on the current status of the FRG account and provides historical documentation for FRG account activity that can be presented for review. The report includes 3 items:

- A. Treasurer Report Memorandum (see Appendix F of this handbook).
- B. Copy of all Bank Statements since the last report.
- C. Copy of the Checkbook Register showing all transactions since the last report.

Original copies of all reports are filed in the unit's Family Readiness Binder. Reports are required from units that have no checking account or no funds in their checking account as well (See Appendix F of this handbook). Send a copy of the quarterly and yearly reports to the State Family Program Office.

16. Remember the FRG's purpose is to support the Soldiers family and always evaluate whether there is a need to engage in fundraising activities.

Remember, all fundraising events must be pre-approved by the unit commander. There are numerous resources available without fundraising. Contact the State Family Program Office to explore your options and answer your questions.

BOTTOM LINE

Funds are important to an FRG. Without funding, the FRG could not support the soldier's family and provide the needed support and morale network. By planning ahead, you can ensure funds are raised as needed and expended to the benefit of all FRG members without going over the \$10,000 yearly limit. Remember budgets are not written in stone and can be changed according to the wishes of the FRG members and subject to the yearly \$10,000 fundraising cap.

CHAPTER 2: FRG Funds Account

The Family Readiness Group Bank Account Status

National Guard Family Readiness Groups are encouraged to open and manage an FRG bank account under the IRS status of “Banking Purposes Only.” To qualify for this status, the Treasurer must complete IRS Form SS4 which may be found online at www.irs.gov. It should be noted that banks will not open an account for your group until you have obtained an Employer Identification Number (EIN). After you have obtained the EIN, please ensure that you safeguard it. Do not allow any individual to use the number for any other purpose.

The EIN is **not** a “non-profit” identification number. Because of this, the FRG must pay sales tax for any items purchased. Additionally, the FRG must advise potential donors that the FRG is not a “charitable organization” and cannot provide a receipt for tax purposes. However acknowledgement letters thanking an individual or organization is acceptable and highly desirable.

The EIN will ensure volunteers do not use their personal Social Security Number when opening the account. Personal SSN’s should never be used because the account could then be perceived as personal income by the IRS.

Reference Appendix I: EIN Application Sample for further information and instructions.

Opening a Bank Account

Open a non-interest-bearing checking account with a minimum of two volunteer signatures to include the treasurer and one other approved member (volunteer) of the FRG. No military member should hold signature authority. Checks must be printed with “Requires two signatures” on the signature line.

A non-interest bearing “Family Readiness Group Account” will often be free of service charges.

Debit cards are NOT allowed.

On-line banking option: if the bank has this option, this is an easy way to view account on-line and view checks and balances.

Checkbook Disbursement

The Treasurer holds/secures the checkbook on behalf of the FRG.

Reimbursement for travel and other expenses:

- Receipts are kept and attached to volunteer Travel Vouchers for reimbursement of travel expenses. Only **Statutory Volunteers** are eligible for reimbursement and only for travel and items in conjunction with official duties. Normally, FRG members and volunteers do not get reimbursed. Should you be faced with the question about reimbursing Non-Statutory volunteers or FRG members, contact the State Family Program Director and the JAG office before promising people they will get reimbursed.

- To claim reimbursements for travel or other expenses, ensure receipts are submitted to you. Attach the receipts to the Travel Voucher or expense claim and keep for your files prior to disbursing the funds. Ensure forms are completed and expenditure approved by the FRG prior to issuing the check.

The Checkbook

The checkbook register provides a means of tracing the date, check number, description of the check, debit, credit, and balance of the FRG account. Other option to record transactions is: on-line banking and ledger entries.

Keeping a checkbook register current allows a ready reference for all transactions and an easily identified account balance. There is a section allowing verification that each check has cleared. The total amount of outstanding checks and all fees imposed should be considered in determining a proof of balance consistent with the bank balance.

Banks provide guidance for the balancing of the checkbook. The (*) section allows verification that each check has cleared. The total amount of outstanding checks and all fees imposed to be considered in determining a proof of balance consistent with the bank balance.

Process of Payment

The Treasurer ensures:

- All debits incurred by the FRG are paid in a timely matter.
- The FRG does not assume liabilities that exceed its assets.

FRG must **not** develop the mindset of holding money in the FRG account just for a rainy day. The reason for fundraising activities is to conduct programs, activities and training for unit family members to prepare them for times of separation due to mobilization.

FRG funds are NEVER used for personal loans or uses!!

The Treasurer, where possible, assures that the FRG has included all expenditures in their projected FRG budget. Possible items include: childcare costs, snacks/meals for FRG meetings, room rentals, supplies not provided through the Army unit, parties, etc. A thought out budget helps to identify the programs, activities and training the FRG has planned and thus the amount of money required prior to fundraising activities.

The Treasurer presents all bills and requests for reimbursement, along with appropriate receipts and documentation to the FRG at a formal meeting. The FRG reviews, discusses and votes on the payment of the bills and reimbursements. The FRG Secretary records the minutes of the meeting, with current date and signature and keeps it on file with other FRG minutes.

Copies of minutes and treasurer reports will be provided to the Commander quarterly to keep them informed of the current status of the FRG account and to provide historical documentation

for FRG account activity that can be presented for review. Original copies of all reports are filed in the unit's Family readiness Binder.

FRG Transitions (Unit Name Change, New Treasurer, Closing an FRG)

Once a FRG has filed an SS4 form with the IRS, gained an Employers Identification Number, and an account has been opened, every effort should be made to keep it open.

If a prolonged period of inactivity within the FRG should occur (family members are no longer involved) the Commander may secure the account until a new FRG may be formed rather than close the account each time such inactivity occurs.

Every effort should be made to re-establish the FRG as soon as possible. Additionally, update the signature card at the financial institution where the account was opened.

Until the FRG is reestablished, care must be taken to assure the FRG checkbook is secured.

Previously approved account signatures should be removed from the account card at the bank. New signatures for this account should only be that of unit family members.

Should the commander need to appoint a new treasurer, update the bank account signature cards.

Members of the former FRG may rename their group to align with the new unit and group members. When a new name is decided upon, the IRS should be notified. Refer to Form SS4 or www.irs.gov for directions, mailing location and telephone numbers.

Commanders should seek coordination and support from the State Family Programs Director, should the FRG account need to be closed and the EIN number surrendered (usually due to a unit being deactivated). After coordination with the State Family Program Director and JAG, the funds may dispersed to other NJNG FRG locations.

If the Commander becomes aware of mismanagement of the FRG account, rather than closing the account, new FRG members should be found to fill the Treasurer position and any other FRG leadership positions that may have been involved. The Commander may face a decision at that time concerning the notification and involvement of appropriate legal authorities. An internal investigation should first be completed to determine the facts before any such action is taken.

It is important to realize that this account should not become "the Commander's account" or that of the Family Liaison Officer (FLO). These funds are intended for and should be managed by FRG members for the purpose of preparing unit families for mobilization.

BOTTOM LINE

The Treasurer is the keeper of the money. By keeping timely and accurate records you ensure proper accounting and give confidence to the FRG members and the Commander that the funds are properly accounted for and utilized.

CHAPTER 3: FRG Fund Audits

An Audit is an examination and verification of a Family Readiness Group account. Sample audit forms may be found in Appendix B.

An audit may be performed for the following reasons:

1. To support the Treasurer by documenting the accuracy and truthfulness of their efforts. The expression “above reproach” can suggest that all challenges to proper FRG accounting by the Treasurer can be met with objectively produced auditing reports.
2. To provide the Commander assurance that the FRG account is being properly managed. Usually done annually and as directed by the commander as needed.
3. To maintain a level of accountability with all FRG members.
4. When there is a change in the designated FRG Treasurer.

Audit procedures:

FIRST STEP: Prior to each 1 Jan, the FRG, through their Military Point of Contact, requests that the Commander appoint an auditing committee to conduct the annual FRG audit (see the Commander Appoints Audit Committee form) to be conducted during the month of January. The commander’s audit along with the FRG’s Quarterly Financial Reports for the previous year may be considered as a complete accounting Financial report for the year.

SECOND STEP: The FRG Treasurer presents the checkbook and accounting documents and the FRG Secretary presents the minutes to the auditing committee.

THIRD STEP: The auditing committee meets, reviews the information presented to them, and prepares the Annual Audit Report (see enclosed). Discrepancies and/or recommendations should be recorded on a separate memorandum and attached to the Annual Audit Report form. The audit and quarterly FRG Financial Reports should be completed and sent out No-Later-Than 31 Jan.

FOURTH STEP: The audit committee completes their report, giving the original copy to the Commander. Provide copies to the FRG Leader, Treasurer, Secretary, and State Family Programs Office at:

DMAVA
Family Programs Office
PO Box 340
Trenton NJ 08625-0340

The audit committee returns all accounting records and the checkbook to the Treasurer and the minutes to the Secretary.

FIFTH STEP: If there are no discrepancies, the report should be filed. If discrepancies are found, the matter should be resolved in direct consultation with the Commander and

the FRG leadership. The Commander has the final word in such matters. If discrepancies or concerns are serious enough, the Commander may choose to secure the checkbook and request the resignation of the Treasurer. Such action applies only in a “worse case” situation.

SIXTH STEP: The original copies of all reports are filed in the FRG’s Readiness Binder. Copies are provided to the Commander, FRG Leaders and the State Family Program Office.

BOTTOM LINE:

Don’t be afraid of an audit. Audits are routine and help ensure compliance with the spirit and intent of regulations. It helps protect you, the FRG, and the NJNG. The commander and you are assured the funds are being properly managed and problem areas can be discovered and fixed with minimal impact.

CHAPTER 4: FRG Fundraising

FRG members may participate in fund-raising activities as long as accounting procedures are established and followed. **Ensure funds are used for what it was raised for.**

FUND-RAISING OBJECTIVES:

- Raise money for planned activities/programs
- Create awareness of FRG purpose, goals etc.
- Gather more volunteers to the ranks
- Gather new ideas for future programs
- Solidify credibility in community
- Educate public and unit members
- Social Events

Non-Appropriated Funds reimbursement from the State Family Readiness Office is **NOT** authorized for volunteers participating in fundraising activities.

NOTE: When purchasing items, you must pay sales tax.

Before the fund-raising activity takes place, the following steps should be followed:

1. Identify **why** the Readiness Group needs the funds and ensure the fundraiser does not duplicate what other agencies provide (types of fundraising may include holiday events, pay room rentals for meetings, provide food/refreshments for meeting, etc). Additionally, ensure the fundraiser will be used to support the entire Group.
2. If you have questions concerning the legality of the fundraiser, call the New Jersey State Family Program Office (1-888-859-0352 or 1-609-530-6834). Be wary of donations, raffles, bake sales, etc. Ask for a donation rather than posting a charge (for example during bake sales or ticket sales, you ask for a suggested donation of \$5.00, etc.) Selling items can be subject to state excise tax. Be sure to clarify sales procedures to all Group members prior to the fundraiser.
3. Secure a letter of approval from the Commander.
4. The treasurer is the designated person who is responsible for ensuring the amount of funds needed to be raised, accounting for the raised funds, and accounting for the distribution of the funds.

During the fund-raising activity:

- Count and verify (by signature) the amount of money established in a “kitty” (initial cash fund).
- Count and verify (by signature) each day’s receipts.
- Secure FRG funds during the time of the fund-raising activity.
- Funds/accounting documents and receipts to the FRG Treasurer with each days fund-raising activity.
- FRG fundraisers can be advertised in the Newsletter mailed by the unit and on email according to DOD 4525.8-M, Chapter 1 (Official Mail Management).

JER 3-210a(6) authorizes fundraising for the benefit of welfare funds (including informal funds) within a command or organization, but not outside of the command or organization. For example, fundraising for the benefit of welfare funds for a FRG could be authorized by the unit Commander, but the fundraising can not extend beyond the FRG members and their dependants. Any fundraising beyond the FRG would not be authorized.

The phrase *when fundraising among their own members* in JER 3-210a(6) means fundraising among members of THAT organization. External fundraising is not authorized under this provision.

How does this apply to FRGs? In accordance with the above, any official fundraising MUST be limited to internal fundraising within the FRG organization and dependants.

It is recommended that FRG Leaders, the Treasurer or commanders contact the legal office, 609-562-0948 if you have any questions concerning fundraising.

Fund raising “NOT-SO-GOOD” ideas:

- Not using the money for what it was raised for
- Events that endangers participants
- Events occurring too often
- Poorly organized events
- Raising money without a clearly identified need
- Trying to force an idea down the throats of others
- Events associated with previous bad history
- Appeals based on misinformation, or guilt
- Events which invade privacy or dignity of others

Informal Unit Funds may be used for the following:

- Office supplies for the Family Readiness Group, NOT available from the unit. AR 608.-1, App J, authorizes the unit to provide the FRG with routine supplies (paper, pens, pencils, paper clips, etc.). You may buy additional office supplies not covered by unit supplies (colored paper, certificate paper, colored pencils/pens, etc.)
- Newsletter printing and mailing NOT covered under
- Family Activities
- Fund-raising supplies
- Child care or Family Readiness Group meetings. Try and use teenagers. Many High Schools and Organizations (e.g. Scouts and 4H) require community service. If possible you may provide a letter stating the number of hours of provided service. If necessary to pay for a babysitter, then pay at the going rate for a babysitter in the local area (minimum wage may be a good starting point)
- Training aides
- Food and supplies for family functions (picnics and dinners, etc.). This is the only fund that can be used for food purchase
- Remembrances for ill or deceased family members – remember if you do for one, you must do for all.

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- Volunteer awards and recognition
- Generally, FRG members should accept donations for their goods and services. However, a specific minimum donation may be set for bake sales, craft fairs, and car washes.
- Rental of meeting rooms
- Membership fees to wholesale purchasing operations
- Entertainment
- Meetings (cookies, snacks, drinks)
- Magnets as Give-a-ways
- Room Rentals for Dances/Dinners
- Any authorized expense approved by the commander (on advice of the ethical counselor) in advance and in accordance with the spending plan

Informal Unit Funds **may not** spend money on:

- Activities that do not benefit the entire FRG membership
- Alcohol
- Individual Loans
- MWR
- Army equipment
- Charity

BOTTOM LINE

Fundraising is not the purpose of the FRG; it is a means to an end, but not the end goal of self-reliant families. The FRG is not a needy organization and should not be promoted or perceived that way. Fundraising is a great way to involve FRG members and provide a great social environment.

Appendix A: Treasurer's Job Description & Sample Appointment Letter

1. Introduction

Develop and maintain simple recording procedures for funds generated by the Unit Family Readiness Group IAW existing regulations.

2. Major Duties and Responsibilities

- a. Ensure the Commander has completed the Treasurer Appointment Letter. File the treasurer appointment letter in the unit's Family readiness binder and send a copy to the State Family Program Office.

- b. Sign DD Form 2793 *Volunteer Agreement For Appropriated Fund Activities & Non Appropriated Fund Instrumentalities* and file the original in the unit's Family readiness binder. Send a copy to the State Family Program Office.

- c. Open and maintain a non-interest bearing checking account with a minimum of two volunteer signatures. File IRS form SS4 to receive an EIN number for checking account, if not already accomplished, to avoid use of Social Security Number. Complete information can be found online at www.irs.gov.

- d. Maintain records of money earned or donated to the organization and record of how monies are spent as outlined in AR 608-1, Appendix J. Provide copy of records to unit commander, and keep original copies of all reports filed in the unit's Family readiness Binder. Ensure account does not exceed \$10,000 and its use is limited to expenses consistent with the purpose and function of the fund.

- e. Ensure payment of sales tax for items purchased. The Family Readiness Group is **not** considered a non-profit organization.

- f. Promote the family program within the Guard and community whenever possible and assist in fundraising activities as needed.

- g. Attend training to improve knowledge of position and the Family Readiness Program if available.

4. Chain of Command

Your FRG leader then your unit's Commander. The New Jersey State Family Program Director is available for help and guidance.

5. Desired Qualifications

- a. Good mathematics skills and some record keeping knowledge would be an advantage
- b. Good personal character
- c. Displays attention to details

6. Benefits

- a. Meeting other Family and Guard members.
- b. Opportunities to attend Family Readiness conferences and workshops and network with other Family Readiness volunteers state and nationwide.
- c. Gain a clear understanding of the Family Readiness Program and the New Jersey National Guard thereby improving family preparedness for mobilization.
- d. Improve/increase bookkeeping skills for present or future job opportunities.

7. Training

Training will be accomplished as needed.

8. Time Required

- a. Anywhere from an hour or two on up to twenty hours per month. The actual hours is highly dependent on the size of the FRG and how active the FRG leaders are in running the FRG.
- b. One year commitment highly encouraged and desired.

Unit Letterhead

Date

MEMORANDUM FOR RECORD

SUBJECT: FRG Treasurer and Alternate Treasurer Appointments

1. The following personnel have been appointed as the *Unit Name* FRG Treasurer and Alternate Treasurer.

Treasurer:

Alternate Treasurer:

2. The designated personnel will hold their appointed positions until further notice, or properly relieved, or put in a request for resignation.

3. Any questions or concerns can be directed at me *Contact Information*.

Name

CPT, OD, USA

Commanding

Appendix B: Sample Audit Letter

UNIT LETTERHEAD

Date

I appoint the following FRG unit members as the audit committee for our family Readiness group funds account for calendar year _____ (or transitional audit date).

AUDIT COMMITTEE TASKS:

1. Audit Committee sets a date for the audit and is provided the necessary accounts and documentation.
2. Review all bank statements and account deposits, disbursements and balances. Assure that all accounting is accurate and complete the audit within a reasonably short period of time.
3. Verify that all checks have been signed with multiple signatures.
4. Verify that all disbursements have been approved at FRG meetings and recorded in the FRG meeting minutes.
5. Review quarterly reports; assure that the Unit Commander and State Family Programs Office have received copies, and that each report is accurate in its accounting.
6. Prepare an Audit Report that reflects the Committee findings and submit copies, signed by each committee member, to the Unit Commander, the FRG Leader, Secretary, Treasurer, and the State Family Programs Office.
7. Discrepancies and/or recommendations should be recorded on a separate memorandum attached to the audit report form.
8. Return all accounting records and the checkbook to the FRG Treasurer.
9. Return FRG meeting minutes to the FRG Secretary.

Commander's signature

FAMILY READINESS GROUP ANNUAL AUDIT REPORT

NAME OF FRG TREASURER

DATE

ITEMS OF INSPECTION		DATE
All financial accounting is accurate and up to date.		
All checks have multiple signatures.		
FRG meeting minutes reflect all account expenditures as approved by the FRG.		
Quarterly reports are accurate in accounting for all funds.		
Discrepancies and recommendations are noted in a memorandum that is attached to this report.		
This audit has been completed in a timely fashion. All records have been returned to the FRG's Treasurer, Secretary, and copies distributed as indicated below.		

AUDIT COMMITTEE MEMBER SIGNATURES

DATE

Provide a copy of this report to:

1. Unit Commander (Original Copy)
2. FRG Treasurer
3. FRG Leader
4. FRG Secretary
5. State Family Programs Office

FAMILY READINESS GROUP TRANSITION AUDIT REPORT

 Name of FRG Treasurer Name of Newly Appointed Treasurer DATE

ITEMS OF INSPECTION		DATE
All financial accounting is accurate and up to date.		
All checks have multiple signatures.		
FRG meeting minutes reflect all account expenditures as approved by the FRG.		
Quarterly reports are accurate in accounting for all funds.		
Discrepancies and recommendations are noted in a memorandum that is attached to this report.		
This audit has been completed in a timely fashion. All records have been returned to the FRG's Treasurer, Secretary, and copies distributed as indicated below.		

AUDIT COMMITTEE MEMBER SIGNATURES DATE

- Provide a copy of this report to:
1. Unit Commander (Original Copy)
 2. FRG Treasurer
 3. FRG Leader
 4. FRG Secretary
 5. State Family Programs Office

Appendix C: Sample Fundraising Letter/Checklist

NOTE: Email requests and coordination are allowed. Keep a copy of relevant emails and replies in your finance file.

"UNIT"
FAMILY READINESS GROUP
Address
City, State, Zip Code

Date

Commander
New Jersey National Guard Unit FRG is attached to
Address
City, State, Zip

Dear _____,

Your FRG requests your approval to hold a fund-raising activity. We are planning a "Unit Garage Sale" to be held in the armory.

We will sell to Guard members and families of the _____ (unit) and will substantiate that the items being sold are in good taste. We will clean the armory after this event.

The funds raised will be used to pay for our annual Holiday Party held at the armory during our December Drill.

We have discussed this matter with _____, our unit military point of contact, and he/she has agreed to be present at the armory.

This activity will strengthen our unit Family Readiness Group.

Request your approval by endorsement.

Sincerely,

FRG Leader
Family Readiness Group

FUNDRAISING ACTIVITY CHECKLIST

<i>Activity</i>	<i>Date Completed</i>
1. Develop Plan of Action	
2. Approval of Commander	
3. Volunteers to Help	
4. Volunteer Agreement — Signed and on File	
5. Budget Planned for Activity	
6. Approval for Use of Site for Activity	
7. Alternate Plan	
8. Timeline (Date for Completion)	
9. Awareness (Advertising if Required)	
10. Facility Usage (Armory or other Site)	
11. Task Assignments (given to teams or individuals)	
12. Child Care	
13. Other	
14. Evaluations (complete evaluation forms)	
15. Recognize Volunteers and Supporters	

ACTIVITY BUDGET FORM

1. How is activity going to be funded:

2. Fund-raising involved: Date of Commander Approval: ____/____/____ Copy of Commander Approval Letter on File: ___ Yes or ___ No

Type of Fund-raising Activity:

Date of Fund-raising Activity:

3. Estimated/Actual Cost of Items Necessary for Activity:

Item	\$
Item	\$
Item	\$
Item	\$
Total Cost	\$

4. Designated Sale Price of Each Item:

Item	\$
Item	\$
Item	\$
Item	\$
Total Cost	\$

5. Plan for Payment of Cost Involved: Minutes of FRG meeting directing Treasurer to pay for items out of the FRG account. Fundraising items to be donated. Other:

6. Budget Summary: Beginning Account Balance: \$ _____

Anticipated Income: \$ _____

Anticipated Expenses: \$ _____

Anticipated Deposit in Bank: \$ _____

Appendix D: Sample Transfer of Responsibility Letter **(This is a funds accountability letter only - not a Treasurer's appointment letter)**

I, *{Name of Outgoing Treasurer}*, have as of *{Date}* transferred *{\$ Amount}* of the *{Name of Family Readiness Group Fund}*, to *{Name of Incoming Treasurer}* who replaces me as Treasurer.

{Name of New Treasurer} has the authority to draw on the funds deposited in *{Name of Financial Institution Under Bank Account}* under account number *{Account Number}*.

Our signatures appear below:

Signature of Outgoing Treasurer

Phone Number

Address

Signature of Incoming Treasurer

Phone Number

Address

Signature of Unit Commander or MPOC

Appendix E: Sample Donation Acknowledgement Letter

{Name of Family Readiness Group}
Unit Address
City State Zip

{Name of Donor (Person, Business, Organization, etc.)}
Donor Address
City State Zip

Dear *{Name of individual Donor, Business or Organization Point of Contact}*,

Regarding your generous donation of the following:

*(If cash and/or check, write the actual amount above otherwise list the item or services provided. **Do not** indicate dollar value for items or services - the donor can establish value for items or services in consultation with their accountant or an IRS representative.)*

Our *{Name of Family Readiness Group}* gratefully acknowledges your contribution. Your contribution will assist us in accomplishing our goal of *{Name Goal or Use for Donation}*.

Thank you for your valuable assistance.

Sincerely,
{FRG Leadership Signature Block}

Appendix F: Sample Quarterly Financial Report

QUARTERLY FRG FINANCIAL REPORT

1. Account Balance for quarter {insert dates} as of: ____/____/____

2. Account Deposits:

<i>Date</i>	<i>Item</i>	<i>Amount</i>	<i>Date</i>	<i>Item</i>	<i>Amount</i>
		\$			\$
		\$			\$
		\$			\$
		\$			\$
		\$			\$
		\$			\$
		\$			\$
		\$			\$

Total Deposits \$ _____

Sub-Total (Balance + Deposits) \$ _____

3. Account Disbursements:

<i>CK#</i>	<i>Item</i>	<i>Amount</i>	<i>CK#</i>	<i>Item</i>	<i>Amount</i>
		\$			\$
		\$			\$
		\$			\$
		\$			\$
		\$			\$
		\$			\$
		\$			\$
		\$			\$

Total Disbursements: \$ _____

4. Current Balance (Sub-total Minus Disbursements) \$ _____

 Signature of FRG Treasurer

 Date

 Unit of FRG

 Name of Bank

 Bank Account Number

 Employer ID Number

 Location of Bank

APPENDIX G: Sample FRG SOP Letter

DEPARTMENT OF THE ARMY
Organization Name
Organization Address
City, State, Zip

(Office Symbol)

(Date)

MEMORANDUM FOR (NAME OF UNIT) FAMILY READINESS GROUP

SUBJECT: Family Readiness Group (FRG) Informal Fund Standard Operating Procedures (SOP)

1. References:

- a. AR 1-100, Gifts and Donations
- b. AR 600-20, Command Policy
- c. AR 600-29, Fundraising within the Department of the Army
- d. AR 608-1, Army Community Service
- e. DOD 5500.7-R, Joint Ethics Regulations

2. Purpose. Provide procedures for managing the FRG Informal Funds.

3. Summary. The FRG informal fund is for the benefit of the *(name of unit)* FRG members only and is established exclusively for charitable purposes and to provide support to Soldiers and family members as they adapt to Army life. It is not a business and is not being run to generate profits. It is not an instrumentality of the United States Government.

4. Scope. This SOP applies to the *(name of unit)* Family Readiness Group which is comprised of all Soldiers, civilians, volunteers and family members assigned to the unit.

5. Commander/Rear Detachment Commander Authorizations:

- a. I authorize the FRG to maintain one informal fund.
- b. I designate a fund custodian (treasurer) to be NAME, and an alternate, to be NAME.
- c. I authorize the opening of one FRG informal funds bank account and designate NAME and NAME to sign checks drawn on the account.
- d. I am requiring/not requiring the FRG informal fund to be bonded.
- e. All fundraising requests must be presented to me, with a complete plan on why the funds are needed, and for what purpose. In no event will fundraising be authorized if the informal fund account has reached the annual income cap of \$10,000 or the account balance is \$10,000.

6. FRG Leader acknowledges: I acknowledge that the FRG informal fund SOP has been approved by the unit commander and a majority of the FRG members and signed by me, the fund custodian (treasurer), and the alternate fund custodian on DATE.

7. FRG Treasurer and Alternate acknowledge:

a. I will manage the FRG Informal Fund, and ensure that all deposits and expenditures are accurate, timely, and complies with all Army policies, including AR 608-1, and the Joint Ethics Regulations.

b. I understand that I may be personally liable for any loss or misuse of FRG informal funds.

c. I have established a non-interest bearing bank account under the FRG's name, as approved by the Commander. (or it was established on DATE, and has since been ratified by the Commander on DATE).

d. I am responsible for preparing an informal fund report for the unit commander at the end of each quarter. The report will summarize the informal fund's financial status, to include current balance, total income, and an itemized list of expenditures along with an explanation showing how the expenditures are consistent with the purpose of the FRG informal fund as established in this SOP.

e. I will prepare an annual informal fund annual report for the unit commander and *Brigade commander (or first 06 in the unit's chain of command)*. The annual report will summarize the informal fund's financial status at the end of the calendar year, to include current balance, total income, and an itemized list of all expenditures made during the year, along with an explanation showing how the expenditures were consistent with the purpose of the FRG informal fund as established in this SOP. The annual report is due to the (*Brigade commander*) no later than 30 January of each year.

8. Procedures. The FRG formally agrees on the use of the FRG funds.

a. The FRG's informal fund purpose and function are to provide support and recognition to FRG members during the deployment cycle. The funds are to be used to provide meals and refreshments at FRG meetings, to fund FRG family social events, and family special events such as newcomer welcome gifts and baby showers. The use of FRG informal funds is to support the entire FRG family, and is not for Unit social events whereby the entire family is normally not included. (*Note: This is a sample only. The FRG members must develop the purpose and use of funds sentence.*)

b. All expenditures must be consistent with the provisions listed in this SOP, Army values, and AR 608-1, Appendix J.

c. FRG informal funds may not be deposited or mixed with appropriated funds, unit MWR funds, unit informal funds (cup and flower funds), or any individual's personal funds.

d. Estimated costs for future planned events will be earmarked within the ledger.

e. The FRG has been provided this SOP annually on DATE, and has approved its contents by a majority vote.

9. Informal Fund Account Management.

a. Expenditures.

(1) The FRG volunteer officers are NAME, NAME NAME. (Identify every officer by name and the dates they started volunteering for the FRG).

(2) FRG officers (leader, co-leader, secretary, and treasurer/alternate) must approve all expenditures of FRG Funds in advance.

(3) The treasurer will pay all expenditures with a check, when possible. The Treasurer/alternate and one other FRG volunteer officer will sign all checks, (i.e., leader, co-leader, treasurer, secretary).

(4) A written receipt will be maintained for two years for all expenditures.

(5) The treasurer/alternate will list all checks and subtract them from the check register balance immediately after writing the check.

b. Deposits.

(1) The treasurer or alternate will deposit all income received within one business day of receipt.

(2) Deposit receipts will be maintained for two years.

(3) Checking Account Reconciliation.

(4) The treasurer will reconcile the checking account with the bank statement within three days of receipt. A second FRG volunteer officer, NAME and in the alternate, NAME, will also reconcile and initial the bank statement.

(5) Errors identified will be resolved immediately. The Treasurer will report any errors that cannot be resolved to the FRG Leader.

(6) The Treasurer will prepare a financial statement monthly for each FRG meeting and for the commander, or upon request, following the procedures listed in reference (a).

9. Fundraising Requests. Note: Unit Commanders should be able to document that they have established the FRG infrastructure as required IAW AR 608-1, Appendix J prior to authorizing

their FRGs a fundraising event. Unit Commander certifies prior to approving FRG informal fundraising that:

- a. Volunteer support for the FRG is identified and volunteers have been registered IAW AR 608-1.
- b. Volunteer position descriptions are on file, volunteers are trained or subject to a training schedule.
- c. The FRG Budget SOP has been established for the FY and has been reviewed with FRG officers.
- d. FRG meetings are regularly scheduled (whether quarterly, semi-annually, or monthly, depending upon deployment); meetings are well attended by both enlisted and officer families.
- e. Command has scheduled the following classes for FRG members through ACS: NAME CLASS and DATE (if ACS has classes available)
- f. FRG newsletters have been published and distributed on DATE DATE DATE.
- g. Families requiring additional support have been identified.
- h. Resources have been deployed to assist those families which require additional support (ACS, ASAP, SWS, AER, etc)
- i. The FRG informal cup and flower fund has not received a total of \$10,000 this calendar year, nor is the balance approaching \$10,000.
- j. Fundraising request must be for a specific purpose. Raising funds to purchase meals and refreshments for use at FRG meetings may be authorized. Raising funds to alleviate the costs of the Unit Ball for enlisted is not authorized for the FRG informal fund.
- k. Fundraisers may take place on-the-garrison only.
- l. Fundraising dates should not conflict substantially with CFC or AER fundraising dates.
- m. Fundraising requests must go through the servicing legal office, ethics counselor prior to being approved.
- n. Once the Unit Commander approves the FRG informal fund request to fundraise, normal Garrison Commander rules regarding the processing of all fundraising requests must be followed.
- o. FRG members may never engage in fundraising off-Garrison.

10. FRG Fund Cap.

a. Gross annual receipts (income) for the FRG Informal Fund cannot exceed \$10,000 from all sources, i.e. fundraising, gifts, and donations.

b. The Informal Fund balance should not exceed \$10,000 at any one time. However, if the fund balance does exceeds \$10,000, then no additional income from fundraising, donations or gifts will be accepted until the start of the next year. Also, the FRG will start spending the money to bring it below the mandated fund cap.

c. Donations/Gifts. The Unit Commander may accept donations of money or tangible goods valued at \$1,000 or less into the FRG informal fund account following consultation with the servicing ethics counselor.

d. Offers of gifts and donations for military family support over \$1,000, should be referred to the Garrison Commander, for possible acceptance into the garrison's FRG Supplemental Mission Activity.

11. Files. Hard and soft copies of the SOP's will be maintained by the Commander, Family Readiness Group Deployment Assistant, Rear Detachment, FRG Leader, FRG Secretary, and FRG Treasurer.

12. The point of contact for this SOP is POC Name, Title, Phone number, email address.

COMMANDER'S NAME
Rank, Branch, Component
Commanding

Appendix H: FRG Funds and Fundraising Discussion

Now let's talk a little bit more about the \$10,000 fundraising limit. The calendar year is 1 Jan through 31 Dec. Within that timeframe you are allowed to raise up to \$10,000 as long as the fundraising is budgeted against the activities the FRG has planned. By having a budget you will have a clear picture the activities the FRG wants to conduct and an estimated cost. Some activities are recurring (e.g. monthly FRG meetings) and others are infrequent or one-time (e.g. holiday party or spring party). You need authorization from the commander to conduct fundraising activities and knowing what it is you want will help you out immensely.

Let's say on 1 Jan you have \$0 in your bank. You know you want monthly meetings with \$125 worth of food and beverages and \$50 worth of childcare to provide childcare for those families with children. You know right off the bat that you need \$2100 for your monthly meetings. You can put in a request to your unit commander for fundraising of \$2100. In addition to the monthly meeting, you would like to provide a spring break family day which you estimate at \$2500 (includes food, beverages, childcare, hall rental, tents, etc.). You now are up to \$4600 of your \$10,000 yearly fundraising limit. Sometime during the summer, the FRG decides to hold a winter holiday party. The cost of renting a hall, equipment, food, entertainment, and childcare is estimated at \$3500. You are now up to \$8100 of estimated funds towards your \$10,000 yearly limit so you are good to go. You raised \$8100 in fundraising activities to cover your estimated costs.

Come 31 Dec you figured out that you only needed and spent \$6500 of the \$8100 you raised. This means that on 1 Jan of the next year, your bank account holds \$1600. You can **ONLY** raise \$8400 for the rest of the year as the \$10,000 yearly limit does not roll over. You plan to do more events and include several more parties and outings for your FRG in addition to the monthly meetings. By the end of summer you have spent the original \$1600 plus an additional \$8000 out of the original \$8400 of what you were authorized to raise and have \$400 left in the bank. You are done with fundraising. You have already raised your \$10,000 yearly limit and you can spend the \$400 up till 31 Dec. You cannot raise \$10,000, spend it, and then raise an additional \$10,000.

It becomes important to understand what the FRG wants to spend its money on and have a good and reasonable estimate of what things cost. You must resist the temptation to fund items not in keeping with the support and communication function of the FRG. Charitable work and soldier equipment are sources through other venues not through the FRG. It is clear from the above that an FRG cannot raise money just to raise money. For the vast majority of the FRG, the \$10,000 fundraising limit will never be an issue because of the size of the FRG.

APPENDIX I: EIN Application Sample

EIN applications are relatively easy and straight forward. Form SS-4 can be downloaded from the IRS at www.irs.gov. A sample SS-4 filled out is included below.

Most of the information comes straight from your Armory name and address. Be careful in reading the instructions and make sure you follow the “Opened a bank account” line of the instructions and not the “state or local agency” line.

Finally, make sure block 9a is checked “other” and filled in “Military Family Members” not the “Federal government/military box.”

Don’t forget to sign and date the application before sending it in to the IRS.

If you apply on line ensure you print out a copy of all your filled in paperwork and any information the IRS gives to you.

Application for Employer Identification Number

OMB No. 1545-0003

(For use by employers, corporations, partnerships, trusts, estates, churches, government agencies, Indian tribal entities, certain individuals, and others.)

EIN

▶ See separate instructions for each line. ▶ Keep a copy for your records.

Type or print clearly.	1 Legal name of entity (or individual) for whom the EIN is being requested UNIT FRG	
	2 Trade name of business (if different from name on line 1) FRG NAME SME AS LINE 1	3 Executor, administrator, trustee, "care of" name FRG TREASURER NAME
	4a Mailing address (room, apt., suite no. and street, or P.O. box) Armory Address	5a Street address (if different) (Do not enter a P.O. box.)
	4b City, state, and ZIP code (if foreign, see instructions)	5b City, state, and ZIP code (if foreign, see instructions)
	6 County and state where principal business is located Armory	
	7a Name of principal officer, general partner, grantor, owner, or trustor	7b SSN, ITIN, or EIN Leave Blank
8a Is this application for a limited liability company (LLC) (or a foreign equivalent)? <input type="checkbox"/> Yes <input type="checkbox"/> No		8b If 8a is "Yes," enter the number of LLC members ▶
8c If 8a is "Yes," was the LLC organized in the United States? <input type="checkbox"/> Yes <input type="checkbox"/> No		
9a Type of entity (check only one box). Caution. If 8a is "Yes," see the instructions for the correct box to check.		
<input type="checkbox"/> Sole proprietor (SSN) _____ <input type="checkbox"/> Partnership <input type="checkbox"/> Corporation (enter form number to be filed) ▶ _____ <input type="checkbox"/> Personal service corporation <input type="checkbox"/> Church or church-controlled organization <input type="checkbox"/> Other nonprofit organization (specify) ▶ _____ <input checked="" type="checkbox"/> Other (specify) ▶ Military Family Members		
<input type="checkbox"/> Estate (SSN of decedent) _____ <input type="checkbox"/> Plan administrator (TIN) _____ <input type="checkbox"/> Trust (TIN of grantor) _____ <input type="checkbox"/> National Guard <input type="checkbox"/> State/local government <input type="checkbox"/> Farmers' cooperative <input type="checkbox"/> Federal government/military <input type="checkbox"/> REMIC <input type="checkbox"/> Indian tribal governments/enterprises Group Exemption Number (GEN) if any ▶ _____		
9b If a corporation, name the state or foreign country (if applicable) where incorporated	State	Foreign country
10 Reason for applying (check only one box):		
<input type="checkbox"/> Started new business (specify type) ▶ _____ <input type="checkbox"/> Hired employees (Check the box and see line 13.) <input type="checkbox"/> Compliance with IRS withholding regulations <input type="checkbox"/> Other (specify) ▶ _____		
<input checked="" type="checkbox"/> Banking purpose (specify purpose) ▶ Establish Checking Account <input type="checkbox"/> Changed type of organization (specify new type) ▶ _____ <input type="checkbox"/> Purchased going business <input type="checkbox"/> Created a trust (specify type) ▶ _____ <input type="checkbox"/> Created a pension plan (specify type) ▶ _____		
11 Date business started or acquired (month, day, year). See instructions.		12 Closing month of accounting year
13 Highest number of employees expected in the next 12 months (enter -0- if none).		14 Do you expect your employment tax liability to be \$1,000 or less in a full calendar year? <input type="checkbox"/> Yes <input type="checkbox"/> No (If you expect to pay \$4,000 or less in total wages in a full calendar year, you can mark "Yes.")
Agricultural	Household	
15 First date wages or annuities were paid (month, day, year). Note. If applicant is a withholding agent, enter date income will first be paid to nonresident alien (month, day, year) ▶		
16 Check one box that best describes the principal activity of your business.		
<input type="checkbox"/> Construction <input type="checkbox"/> Rental & leasing <input type="checkbox"/> Transportation & warehousing <input type="checkbox"/> Accommodation & food service <input type="checkbox"/> Wholesale-agent/broker <input type="checkbox"/> Real estate <input type="checkbox"/> Manufacturing <input type="checkbox"/> Finance & insurance <input type="checkbox"/> Other (specify) <input type="checkbox"/> Wholesale-other <input type="checkbox"/> Retail		
17 Indicate principal line of merchandise sold, specific construction work done, products produced, or services provided.		
18 Has the applicant entity shown on line 1 ever applied for and received an EIN? <input type="checkbox"/> Yes <input type="checkbox"/> No		
If "Yes," write previous EIN here ▶ _____		

Complete this section only if you want to authorize the named individual to receive the entity's EIN and answer questions about the completion of this form.		
Third Party Designee	Designee's name	Designee's telephone number (include area code) ()
	Address and ZIP code	Designee's fax number (include area code) ()
Under penalties of perjury, I declare that I have examined this application, and to the best of my knowledge and belief, it is true, correct, and complete.		Applicant's telephone number (include area code) ()
Name and title (type or print clearly) ▶		Applicant's fax number (include area code) ()
Signature ▶		Date ▶

IRS.GOV

Do I Need an EIN?

File Form SS-4 if the applicant entity does not already have an EIN but is required to show an EIN on any return, statement, or other document.¹ See also the separate instructions for each line on Form SS-4.

IF the applicant...	AND...	THEN...
Started a new business	Does not currently have (nor expect to have) employees	Complete lines 1, 2, 4a-8a, 8b-c (if applicable), 9a, 9b (if applicable), and 10-14 and 16-18.
Hired (or will hire) employees, including household employees	Does not already have an EIN	Complete lines 1, 2, 4a-6, 7a-b (if applicable), 8a, 8b-c (if applicable), 9a, 9b (if applicable), 10-18.
Opened a bank account	Needs an EIN for banking purposes only	Complete lines 1-5b, 7a-b (if applicable), 8a, 8b-c (if applicable), 9a, 9b (if applicable), 10, and 18.
Changed type of organization	Either the legal character of the organization or its ownership changed (for example, you incorporate a sole proprietorship or form a partnership) ²	Complete lines 1-18 (as applicable).
Purchased a going business ³	Does not already have an EIN	Complete lines 1-18 (as applicable).
Created a trust	The trust is other than a grantor trust or an IRA trust ⁴	Complete lines 1-18 (as applicable).
Created a pension plan as a plan administrator ⁵	Needs an EIN for reporting purposes	Complete lines 1, 3, 4a-5b, 9a, 10, and 18.
Is a foreign person needing an EIN to comply with IRS withholding regulations	Needs an EIN to complete a Form W-8 (other than Form W-8ECI), avoid withholding on portfolio assets, or claim tax treaty benefits ⁶	Complete lines 1-5b, 7a-b (SSN or ITIN optional), 8a, 8b-c (if applicable), 9a, 9b (if applicable), 10, and 18.
Is administering an estate	Needs an EIN to report estate income on Form 1041	Complete lines 1-6, 9a, 10-12, 13-17 (if applicable), and 18.
Is a withholding agent for taxes on non-wage income paid to an alien (i.e., individual, corporation, or partnership, etc.)	Is an agent, broker, fiduciary, manager, tenant, or spouse who is required to file Form 1042, Annual Withholding Tax Return for U.S. Source Income of Foreign Persons	Complete lines 1, 2, 3 (if applicable), 4a-5b, 7a-b (if applicable), 8a, 8b-c (if applicable), 9a, 9b (if applicable), 10 and 18.
Is a state or local agency	Serves as a tax reporting agent for public assistance recipients under Rev. Proc. 80-4, 1980-1 C.B. 581 ⁷	Complete lines 1, 2, 4a-5b, 9a, 10 and 18.
Is a single-member LLC	Needs an EIN to file Form 8832, Classification Election, for filing employment tax returns, or for state reporting purposes ⁸	Complete lines 1-18 (as applicable).
Is an S corporation	Needs an EIN to file Form 2553, Election by a Small Business Corporation ⁹	Complete lines 1-18 (as applicable).

¹ For example, a sole proprietorship or self-employed farmer who establishes a qualified retirement plan, or is required to file excise, employment, alcohol, tobacco, or firearms returns, must have an EIN. A partnership, corporation, REMIC (real estate mortgage investment conduit), nonprofit organization (church, club, etc.), or farmers' cooperative must use an EIN for any tax-related purpose even if the entity does not have employees.

² However, do not apply for a new EIN if the existing entity only (a) changed its business name, (b) elected on Form 8832 to change the way it is taxed (or is covered by the default rules), or (c) terminated its partnership status because at least 50% of the total interests in partnership capital and profits were sold or exchanged within a 12-month period. The EIN of the terminated partnership should continue to be used. See Regulations section 301.6109-1(d)(2)(iii).

³ Do not use the EIN of the prior business unless you became the "owner" of a corporation by acquiring its stock.

⁴ However, grantor trusts that do not file using Optional Method 1 and IRA trusts that are required to file Form 990-T, Exempt Organization Business Income Tax Return, must have an EIN. For more information on grantor trusts, see the Instructions for Form 1041.

⁵ A plan administrator is the person or group of persons specified as the administrator by the instrument under which the plan is operated.

⁶ Entities applying to be a Qualified Intermediary (QI) need a QI-EIN even if they already have an EIN. See Rev. Proc. 2000-12.

⁷ See also *Household employer* on page 4 of the instructions. **Note.** State or local agencies may need an EIN for other reasons, for example, hired employees.

⁸ Most LLCs do not need to file Form 8832. See *Limited liability company (LLC)* on page 4 of the instructions for details on completing Form SS-4 for an LLC.

⁹ An existing corporation that is electing or revoking S corporation status should use its previously-assigned EIN.



APPENDIX J: References

The following are some of the regulations used in the Family Programs. Please take some time to look these up so you understand the regulations you are following. This handbook tries to condense and extract pertinent information but the regulations are the authority.

The following can be found at <http://www.army.mil/usapa/>

AR 1-100, *Gifts and Donations*

AR 600-20, *Command Policy*

AR 608-1, *Army Community Service, App J*

Army Directive 2008-01, *Increase In Family Readiness Group Informal Fund Cap*

AR 600-29, *Fundraising within the Department of the Army*

The following can be found at: <http://www.dtic.mil/whs/directives/index.html>

DoD 4525.8-M DoD Official Mail Management

DoD 5500.7-R The Joint Ethics Regulation

<http://www.dtic.mil/whs/directives/infomgt/forms/formsprogram.htm>

DD Form 1351, *Travel Voucher*

DD Form 2793, *Volunteer Agreement For Appropriated Fund Activities & Non Appropriated Fund Instrumentalities*

Information on EIN's and Form SS-4 can be found at www.irs.gov

Appendix K: GLOSSARY OF TERMS

The Glossary of Terms to help you "TALK THE TALK" of a Treasurer. This list of terms is intended as a short summary of common terms. You may wish to identify additional terms and add them to the list.

Allowable Rate: Approved rate of reimbursement for a given category – usually determined by the USP&FO. Reimbursements are not routinely provided to volunteers. Statutory volunteers are eligible for reimbursement in conjunction with official duties as FRG leaders. Consult you JAG.

Audit: Annual (at a minimum) review of accounting procedures and balances of an account, by an appointed committee, designated by the Unit Commander.

Cash: The treasurer should never hold cash in hand, except at times of "fund-raising" when a "petty cash" account may temporarily be established. All funds should be managed through the FRG account.

Child Care: The cost of looking after a child care. The amount paid is based on current local rates. However, many teens may be willing to provide babysitting services in exchange for letters of community service which many high schools and organizations require as a requirement to graduate.

Commander: For the purposes of this Handbook, Commander is the designated unit commander who has established an FRG. Should the commander be deployed long term then the designated Rear Det commander will handle the duties as outlined in this Handbook. Any commander other than the unit commander will be further identified (e.g. Garrison commander, Armory commander, etc.) if a commander other than the unit commander is required.

Credit: An entry on the right side of the account.

Date: The time at which a transaction occurs.

Debit: An expense which has occurred but yet paid.

Deposit: Money deposited in a bank.

Donation: A free contribution or gift given to the FRG from outside agencies or people. An FRG may choose to raise funds, with the Commander's approval, for a community organization that serves the best interest of service members and their families. The FRG cannot donate to other agencies or people outside of the FRG membership.

Expense: Cost associated with any project (i.e. supplies, equipment, material, etc.)

Family Assistance: A Unit and/or FRG response or referral or direct help to an individual or family in need.

Family Readiness Group: An officially sanctioned organization of officer and enlisted personnel and their family members (spouses, children, parents, brother, sister, significant other, etc.) that uses volunteers to provide information and comprise a support network to provide information and comprise a support network to prepare families for times of separation due to mobilization.

Fund-raising: A Commander-approved FRG activity to raise funds or increase the FRG account balance.

Income: A gain or recurrent benefit. A measure of money derived from fund-raising, donations, etc.

Military Point of Contact (MPOC): A unit member that the Commander appoints as their representative.

Payee: One to whom money is to be paid.

Rear Detachment Commander (see also Commander): is the unit commander's representative at home station while the unit is deployed and is the FRG link to the deployed unit. All logistic support for FRGs (for example, meeting rooms, nontactical vehicle use, office equipment and computers, newsletters, telephones, and volunteer support) is authorized by the rear detachment commander during deployment.

Security: Reasonable measures taken to assure that FRG funds are not accessible to unauthorized persons.

Statutory Volunteer: Statutory volunteers are volunteers who have signed a volunteer agreement and serve in an official capacity in direct support of the National Guard Family Program.

Volunteer Agreement: A DD Form 2793 *Volunteer Agreement For Appropriated Fund Activities & Non Appropriated Fund Instrumentalities*, signed by every FRG leader, indicating their understanding that the services and support are voluntary and not for pay. Signing this form, confirms their legal designation of VOLUNTEER should an accident or incident occur allowing coverage under the tort claims act. This precludes the individual from being sued, provided they are in compliance with the volunteer agreement and job description.

Volunteer Reimbursement: Reimbursement consistent with allowable rates guidance, based upon completed request and verifiable by receipt, i.e. telephone, travel, child care, etc. It is intended to reimburse statutory volunteers (i.e. FRG Leader, Treasurer, secretary, or as appointed by the commander).