

# Financial Management Guidelines for Groups Conducting Golf Lakes Activities

Approved by Board 5/9/2024, Effective 6/1/2024

Purpose – Ensure that Golf Lakes activities are conducted in accordance with legal requirements, and in a fiscally responsible and transparent manner, to protect the interests of all Golf Lakes shareholders.

Background – Golf Lakes Residents Association, Inc. (GLRA) is a nonexempt, not-for-profit membership organization. GLRA and its groups are not exempt from income taxes, paying sales taxes on purchases, or remitting sales taxes on sales. Golf Lakes and its groups are not IRS designated charities.

Golf Lakes Activities – Any activity led by Golf Lakes groups or individuals that are generally offered to residents regardless of where the activity is held. Private, by-invitation activities held on Golf Lakes common property must meet all Legal Requirements (see below).

Activity Leadership – All Golf Lakes activities are led and conducted by volunteers, and group leaders and participants are not to be compensated for their time.

Disbanded Groups – Any money remaining after a group ceases to function shall be transferred to Beautification Committee or Undesignated Memorial Fund.

## Legal Requirements

Sales Tax – Sales tax is due on gross sales associated with all Golf Lakes activities and shall be submitted to the office for forwarding to the State. The Office has a Worksheet to assist with sales tax calculation. Credit can be taken for Florida sales tax paid on goods sold. Dues to belong to a group and free-will donations are the only items exempt from sales tax. “Suggested donations” are not exempt.

1099's – If a group pays an individual \$600 or more in a calendar year for services related to Golf Lakes activities, a 1099-MISC must be issued by Jan. 31 of the following year. The Office issues the 1099's. Copies of individual's completed W-9 along with payment documentation must be submitted to the Office by mid-January.

## Gambling (per Counsel)

Bingo (FL Statute 849.0931) – Legal, provided jackpots do not exceed \$250 and there are no more than three jackpots per session. Proceeds from card sales must be used for prizes except for expenses including reserve for equipment replacement. Donations to charities from proceeds are also permissible. Bingo workers cannot be paid.

Penny-ante games (FL Statute 849.085) – Legal, provided winnings of any player in a single round, hand or game does not exceed \$10 in value. There also cannot be any fee associated with joining the game.

“Raffles, lotteries and other drawings by chance” are prohibited by law in Florida, except when run by nonprofits, i.e., a 501(c)3, 4, 7, etc.

Tournaments of skill (e.g., pool tournaments and the like) are illegal if prizes are predominantly from entry fees. Prizes from sponsoring organization and donated by a third party are OK.

## Financial Management Guidelines

Banking – The Office can provide banking services (deposits, petty cash and checks) for Golf Lakes groups. Alternatively, separate business checking accounts utilizing the Golf Lakes Tax ID can be set up at South State or Bank OZK, e.g., “Golf Lakes Residents Association, Inc. Piece Makers Quilting Group.” In either case, the group’s treasurer is responsible for maintaining supporting documentation.

Petty Cash – Petty cash shall only be utilized as required for the efficient operation of the group’s activities, e.g., Bingo sells cards for cash and awards cash prizes every week during the winter season, justifying retention of modest amounts of cash to make change for card sales. A register similar to a check register shall be maintained to document all money received into and paid out of petty cash.

## Money Received

Cash – Cash received from donations, ticket sales, etc. shall be counted and documented promptly by two unrelated individuals and deposited as soon as practical. Signed and dated counting sheets shall be retained by the Treasurer.

Dues and Contributions – Receipts shall be issued to those paying dues or making contributions, and a copy kept with the Treasurer's records.

Bank Deposits – Source of deposits shall be noted in the check register and in supporting documentation maintained by the Treasurer.

## Disbursements

Prior Approval of Purchases and Contracts – Group board or leader/president shall approve purchases and contracts for the organization before they are made whenever possible. Approval documentation shall be maintained by the treasurer.

Invoice Payment and Reimbursement for Purchases – Leader/president shall approve invoices and purchase receipts prior to payment by the treasurer. Payments shall be by check except in emergencies when payment can be made from petty cash. Persons receiving cash shall date and sign submitted receipt(s) acknowledging reimbursement.

If at all possible, funds must be used as indicated during associated fundraising activity, otherwise for a similar purpose approved by group membership.

Periodic Reports – Treasurers shall prepare and issue to group officers, periodic reports documenting fund balance(s) and summarizing income and expenditures since previous report and year to date. Accounting can be done on a calendar year or "seasonal" year basis (5/1 through 4/30) as determined by the group.

Annual Reviews – All groups conducting Golf Lakes activities are subject to financial reviews by the Budget and Finance Committee. Treasurer reports, petty cash and check registers, bank statements and supporting documentation shall be made available for review.