**Article V. Finances and Tax Compliance**

The association Treasurer should keep a ledger of all association deposits and expenditures, recording all transactions into the ledger as soon as possible. Deposits for membership dues, conferences, and workshops should be made and recorded separately for proper identification in financial reports and tax filings. Any expenditure incurred which exceeds $500 must be authorized by the association President.

The association’s executive committee is responsible for ensuring that the association’s tax-exempt status with the IRS remains intact and that the association doesn’t engage in business practices that would jeopardize its tax-exempt status (ex: association earnings may not inure benefit to its members). The association Treasurer is responsible for filing the association’s annual state and federal income tax returns or notices according to the rules determined by state and federal tax authorities. Any changes to the association name, address, structure or operations must be reported to state authorities and the IRS.

Every five years, the association’s executive committee is responsible for seeking a comprehensive financial review from a certified public accountant to ensure the organization is complying with federal and state tax laws. The Treasurer should incorporate payment for this service into the proposed annual operating budget for the year in which the review should be performed. The budgeted amount should be based on past financial reviews.

Contributions to section 501(c)(6) organizations are not deductible as charitable contributions on the donor’s federal income tax return. They may be deductible as trade or business expenses if ordinary and necessary in the conduct of the taxpayer’s business. The association exhibit coordinator must disclose to corporate partners an express statement (in a conspicuous and easily recognizable format) that contributions to the organization are not deductible for federal income tax purposes as charitable contributions.