

Finance & Accounting



AREA AND COUNTY PROGRAM FUNDS – POLICY OVERVIEW

1. SO Indiana is accredited by Special Olympics, Inc. and registered with the federal and state agencies as the sole nonprofit organization for Special Olympics in Indiana, with exclusive rights to the official name and logo within our jurisdiction. Accordingly, there is no recognition of Area or County Programs as separate entities. No bank or investment accounts may bear the name of Special Olympics, except an individual approved and controlled by the State Office.
2. Through an annual accreditation process, SO Indiana accredits Area and County Programs providing those management teams with the right to raise funds and disburse funds for local purposes through the SO Indiana consolidated accounting system.

GENERAL FINANCIAL POLICIES

1. Under special circumstances, an affiliated service-providing organization may apply to participate in SO Indiana events, but is forbidden to use the Special Olympics name and logo to raise funds.
2. All SO Indiana Area and County accounts are consolidated into a central bank account managed by the State Office to provide for the ongoing cash needs of its Area and County Programs. Funds received from Area and County Programs will be maintained within a separate general ledger account for each program.
3. Under no circumstances may an Area or County Program establish a separate account or withhold funds raised in the name of Special Olympics. Unauthorized accounts or use of SO Indiana funds shall result in suspension of the Programs and criminal prosecution when warranted.
4. Area and County Programs must appoint a Treasurer (subject to Class A volunteer requirements) whose job it is to ensure appropriate financial management. This Treasurer is required to complete SO Indiana financial training. **County Coordinators and Area Directors are not allowed to serve as the Treasurer. Furthermore, the County Coordinators or Area Directors cannot be members of the same household with the Treasurer.**
5. Area and County Programs are required to submit an annual budget as part of its Accreditation Application in July of each year, subject to the approval of the State Office, which projects revenues and expenses for the upcoming calendar year.
6. In a calendar year, Area and County programs are expected to raise an amount of money at least equal to the total funds spent in that same calendar year. Revenue may exceed or be less than expenditures at any point during the year, but must be net zero, or greater, at December 31 each year.
7. County Programs are expected to annually raise an amount commensurate to its projected expenses.
 - a. For County Programs with at least 50% of a year's expenses in reserve, funds raised in excess of the amount spent in any given year will be carried over to the following year (deferred). The amount that can be carried-over shall be no more than \$10,000.
 - b. For County Programs without at least 50% of a year's expenses in reserve, funds raised in excess of the amount spent in any given year will be placed in that County Program's reserve fund.
8. The carry-over calculation will be made after the SOIN books are closed on or about February 28 of each year and communicated to counties by March 31 of each year. The funds will appear as a transfer of funds in the May county financial report.
9. Programs raising funds between 95% and 99% of their annual expenditures will receive written notice and offered fundraising assistance by the State Office.
10. Programs raising funds less than 95% of their annual expenses will be placed on financial probation.
 - a. Programs considered by the State Office to be failing in their responsibility for raising sufficient annual funds [because of a significant shortfall (20%+) or repeated non-compliance] will be placed on cash-basis accounting, meaning credit card privileges are suspended and costs may be incurred only if their Program has deposited sufficient funds during that calendar year. As a last resort, Programs unable to provide the necessary financial support for their activities may be suspended from participation pending replacement of the management team.
11. Area and County Program consolidated reserve funds above the amount required for cash flow purposes will be invested according to the SO Indiana Investment Policy. Interest/ dividends resulting from these investments will be retained in the SO Indiana investment account for the benefit of respective Programs.
12. The State Office will coordinate a series of collaborative fundraising activities each year (e.g. Polar Plunge and Plane Pull) designed for shared participation by accredited Counties. Guidelines for revenue sharing percentages for collaborative events will be determined and communicated prior to event registration.
13. Accredited Area and County Programs are exempt from Indiana sales tax on items that are purchased for use or consumption in connection with the Special Olympics program, such as sports equipment or printing costs. To support your claim of tax exemption, provide the seller with a copy of the tax exempt certificate. **The State Office will NOT reimburse for sales tax on purchases made and submitted for reimbursement.**
14. County Programs shall not require payment of fees by athletes or their families for the athlete's participation in Special Olympics, including charges to register for or enroll in the program.
15. Reasonable allocation of funds for the training and recognition of volunteers and sponsors is considered an appropriate use of SO Indiana funds. Activities for athletes, families, volunteers, etc. that are not related to Special Olympics sports training or competition (such as social gatherings or trips) are questionable, and must be referred to the State Office for approval.
16. Through the annual budgeting process, the Board of Directors shall approve registration (entry) fees for all State Office managed events.
17. Entry fees will be transferred from the Area and County accounts based on entries received by the deadline. The entry fee is non-refundable, except in the event of cancellation by the State Office because of weather or facility issues beyond the control of event organizers.
18. Area and County Programs shall follow SO Indiana policies regulating capital expenditures (purchases of \$1,500 or more and a useful life of more than one year). Area and County Programs are prohibited from purchasing any motorized vehicle, building, or land.



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19. Area and County Programs are prohibited from using funds to hire full or part-time staff. With advance permission of the State Office, Area and County programs may pay stipends (not to exceed \$599 per year) to volunteers who provide irreplaceable administrative support.
20. All donations received from the Knights of Columbus shall not be deposited locally, but forwarded to the State Office upon receipt for deposit into the *Summer Games Fund*. These funds will be pooled to provide participating County Programs with a discount on Summer Games entry fees. The discount is calculated based on all funds received at any level of SO Indiana from the Knights of Columbus between April 1 and March 31 annually.

APPROPRIATE USE OF FUNDS

SO Indiana has the legal and ethical obligation to make sure that funds raised in the name of Special Olympics are used in pursuit of the mission of the organization – year-round sports training and competition for individuals with intellectual disabilities.

Failure by any SO Indiana representative to follow the highest level of integrity in the use of donated funds shall be grounds for dismissal or other disciplinary action.

An annual audit is conducted by an independent auditing firm to ensure proper stewardship of funds donated to SO Indiana.

STATUS OF FUNDS WITHIN SO INDIANA

According to the General Rules of Special Olympics Inc., there is only one 501(c)(3) Special Olympics organization in the state of Indiana. In that respect, all funds are technically (and for tax and legal purposes) governed by the State Office (budget, audit, investment, etc.).

THEFT OF FUNDS

In the event SO Indiana funds are used in an unauthorized manner for personal benefit, the State Office will follow the guidelines listed below:

1. All program records will be retrieved from the SO Indiana filing system, as well as all records from the local Fifth Third branch or, if applicable, the local bank account.
2. Either State Office staff or the current accounting firm representing the organization will review those records, depending on the seriousness of the situation.
3. If a minor problem exists, individual(s) in question will be given an opportunity to correct the error(s).
4. If, however, records show a deliberate effort to direct money for individual gain, the matter will be turned over to the Finance Committee of the Board of Directors.
5. The Finance Committee will recommend to the Board of Directors to either file charges with the county prosecutor or pursue other options.

TRANSFERRING AUTHORITY TO A NEW TREASURER

1. The State Office must be notified prior to the new appointment. The new Treasurer must submit a *Change of Area/County Leadership Form*.
2. The new Treasurer must complete the SO Indiana Financial Training provided by the Accounting Coordinator.
3. For programs with approved non-Fifth Third bank accounts, the Accounting Coordinator will initiate a new signature card and corporate resolution (if required). The Area Director or County Coordinator and new Treasurer will be required to provide their signature, at the bank, upon notification from the Accounting Coordinator.

QUARTERLY REPORTING

On a quarterly basis, all programs will receive financial statements and transaction reports for the three (3) previous months from the State Office. Each program is responsible for reviewing such reports and validating accuracy of the information. Any questions are to be submitted to the Accounting Coordinator or Chief Financial Officer (CFO).

It is imperative that each program review these reports as there are a significant number of transactions that occur within SO Indiana and, although we strive for perfection, we cannot guarantee 100% accuracy and rely upon careful review and knowledge of transactions as a confirmation of accuracy.

AUDITED FINANCIAL STATEMENTS & IRS FORM 990

The State Office secures the services of a certified public accounting firm to conduct an annual audit of all authorized programs and to prepare its annual filing with the IRS. The audited annual financial statements and Form 990 are available for public inspection. Individuals may request a copy of the annual financial statements by contacting the State Office at 6200 Technology Center Drive, Suite 105, Indianapolis, Indiana 46278 or by calling +1 800 742 0612.

The service fee for each copy of the audited financial statements or Form 990 is \$1.00 for the cover and 15 cents for each page, plus the cost of postage.

The audited financial statements and Form 990 are also available for public inspection at the State Office during our operating hours (8:00 a.m. - 4:30 p.m., Monday through Thursday and 8:00 a.m. - 12:00 p.m. on Friday). You may also access the Form 990 for Special Olympics Indiana at www.guidestar.org.

BANK ACCOUNTS

All programs for which there is a local Fifth Third branch MUST have a depository account set up at its local Fifth Third branch. This procedure will be handled by the State Office. There shall be no other accounts established in any financial institution without the express written authority of the State Office. The establishment of a separate account is considered a violation of SO Indiana policy and will be strictly enforced.

NO FIFTH THIRD BRANCH IN AREA

In the event there is no local Fifth Third branch in your Area/County, the State Office will work with the Program to establish an approved non-Fifth Third bank account. The Accounting Coordinator will initiate the account opening, signature card and corporate resolution (if required). The Area Director or County Coordinator and Treasurer will be required to provide their signature, at the bank, upon notification from the Accounting Coordinator. All bank accounts MUST also have the signature authority of the SO Indiana President/CEO.

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On a monthly basis, each Program will be required to forward a copy of their local bank statement to the State Office for reconciliation purposes. This statement must be forwarded immediately upon receipt and may be submitted by mail, fax or email.

For these Area and County Programs, funds will be maintained at a level to avoid a service charge on the account. The remainder will be transferred, on a periodic basis, to the consolidated Fifth Third account.

EXPENDITURE OF FUNDS FROM LOCAL BANK ACCOUNT

Programs are prohibited from making any expenditures from its local bank account (including any Fifth Third account). This is considered a violation of policy.

RECEIPT OF FUNDS

- **All cash receipts are to be deposited as soon as reasonably possible in to your local Fifth Third or approved non-Fifth Third account.**
- All cash received must be accounted for and deposited and may not be used to pay expenses.
- For additional documentation required for donations see the Fundraising section.
- Programs must complete a *Deposit Form* for all deposits and attach the original or a copy of the deposit receipt provided by the bank. This documentation must be complete and provided to the State Office immediately upon deposit of funds. The form may be submitted by mail, fax or email but must ALWAYS be accompanied by the deposit receipt with the register printout on it.
 - The deposit form is to include the following details:
 - Date cash/check received
 - Purpose of receipt (fundraiser, donation, etc.)
 - From whom funds were received
 - Receipt type (cash or check), if check include check date & check number
 - Copy and include with the Deposit Form, checks received by any of the following:
 - Civic or Fraternal Organizations (e.g. Kiwanis, AmVets, Tri-Kappa, etc.)
 - Corporations (e.g. Wal-Mart, Target, etc.)
 - All checks \$250 or greater
 - There are additional documentation requirements for IRS purposes. See the Fundraising section for additional information.
- Any deposit documentation not received within 30 days of deposit is considered delinquent.
- Areas and Local entities will not receive credit for any deposits/cash receipts until the above items have been received by the State Office.

CHECK REQUEST

Invoices for expenditures are to be sent to the State Office, attention: Accounting Coordinator, accompanied by a *Check Request Form*.

Requests for reimbursements for expenditures made are to be sent via mail, fax or email to the State Office and must include the following documentation:

- Check Request Form
- Original or copy of receipt(s) or paid invoice(s)

Any check request submitted that does not include the appropriate documentation (invoice/receipt) will not be paid until such documentation is received.

Programs are responsible for submitting invoices on a timely basis and will be responsible for any late fees incurred as a result of not doing so.

TIME LIMIT FOR SUBMITTING EXPENSE REIMBURSEMENTS

All requests for expense reimbursement must be submitted within three (3) months of incurring the expense, except as noted at year-end. Any request for reimbursement submitted after this allotted time limit will not be reimbursed. **All expense requests must be submitted within 30 days of year-end.**

TRAVEL EXPENSES

Programs may reimburse their volunteers at the current standard mileage rate issued by the Internal Revenue Service (contact the State Office for the current rate or go to www.irs.gov) for travel to official meetings, training programs, and competitions. Requests for mileage reimbursement must be pre-approved by the person in charge of the program and submitted on a *Travel Expense Form*. This form is then submitted to the State Office accompanied by the *Check Request Form*. The State Office will review and verify mileage claims.

VOLUNTEER MILEAGE

Volunteers using private vehicles for Special Olympics activities may be credited with an in-kind contribution for mileage up to the limit allowed by the Internal Revenue Service (please contact your personal accountant for additional information regarding the tax deduction allowed). No excess reimbursement will be granted by SO Indiana.

SO INDIANA CREDIT CARD

County Coordinators and Area Directors may request a credit card from the State Office for use solely for qualified Special Olympics expenditures. In the event the card is used for purposes other than for Special Olympics, the State Office will immediately cancel the card and seek reimbursement for such expenditures.

Please notify the State Office immediately if the card is lost or stolen, and it will be immediately cancelled.

The State Office will establish an appropriate credit limit for each card. In the event a program's reserve funds are \$0 or negative, the card will be suspended until such reserve is replenished.



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Card users are required to submit a Credit Card Expense Report upon use of such card. All credit card receipts must be submitted to the State Office (either via email or mail) by the 15th of the month following the credit card statement date (example: by August 15 for June 28 – July 27 charges). Failure to comply with this policy will result in the suspension of the user's card.

PURCHASE OF CAPITAL ASSETS

SO Indiana's policy is to capitalize (versus expense) any items purchased that have a value of \$1,500 or more and a useful life of more than one year.

Purchases of capital assets (computers, etc.), must be pre-approved in writing by the President/CEO of SO Indiana.

OWNERSHIP OF ASSETS

All capital assets remain the property of the Special Olympics organization. If a program ceases to exist all capital assets will be turned over to SO Indiana, who will determine, at its sole discretion, the most appropriate disposition of such assets.

INSURANCE COVERAGE

Each Area or County Program is responsible for maintaining the necessary insurance on their capital assets.

DEPRECIATION

For those programs that have any capital assets the State Office will record depreciation on an annual basis. As such, when such items are purchased, your cash will be reduced by the appropriate amount, but there will not be a corresponding expense. The asset will be expensed over time, which is considered to be the "life" of the asset. Standard IRS "lives" are used for depreciation purposes. For example, a computer will be depreciated over three (3) years. Instead of seeing a \$3,000 expense when you purchase the asset, you will see the expense as a depreciation expense in the amount of \$1,000 annually for three (3) years.

DISPOSAL OF ASSETS

In the event you dispose of an asset or an asset ceases to be utilized in Special Olympics operations, please inform the State Office immediately in writing so that we may appropriately account for it. Please provide the State Office the following information for any disposition:

- Date of disposal
- Method of disposal (discarded, traded-in, sold, lost, stolen, other)
- If sold, amount of revenue received
- If traded in, identify asset received in trade

PROPERTY TAXES

All capital assets owned by Special Olympics Indiana (State, Area or County) require an annual filing with the local county government. The State Office files all necessary property tax documentation for Programs. However, the State Office needs to know when such filing either is necessary or is no longer necessary. Thus, it is imperative that the State Office is informed on a timely basis of any additions or disposals.

If you receive any notifications from your County Assessor, forward it to the State Office immediately. The State Office will respond to any requests or file all necessary paperwork.

ANNUAL REVIEW OF ASSET LISTING

On an annual basis, the State Office will forward to each Area Director or County Coordinator a list of all assets currently on the SO Indiana records for review to ensure all updates have been appropriately reflected.

FEES FOR STATE GAMES

Fees for the State Games shall include the total cost of the Special Olympics program. These fees will be deducted from the County accounts. The fees will cover the cost of participants entering the State Games.

SALE OF SOUVENIRS

For tax purposes, SO Indiana must limit the number of days per year that souvenirs are sold. Therefore, Area and County programs may only sell souvenirs at a scheduled event and must obtain approval to sell souvenirs from the State Office in advance of the event.

NO CASH PRIZES

SO Indiana prohibits the use of funds donated to Special Olympics for cash prizes as awards for participation in a fundraising event (e.g. golf outing). It is appropriate to provide promotional items or merchandise certificates for participants within expense guidelines. With pre-approval of the State Office, vouchers for prize checks may be provided by SO Indiana when necessary documentation is received following an event.

Indiana Department of Revenue
General Sales Tax Exemption Certificate

Indiana registered retail merchants and businesses located outside Indiana may use this certificate. The claimed exemption must be allowed by Indiana code. Exemption statutes of other states are not valid for purchases from Indiana vendors. **This exemption certificate can not be issued for the purchase of Utilities, Vehicles, Watercraft, or Aircraft.** Purchaser must be registered with the Department of Revenue or the appropriate taxing authority of the purchaser's state of residence.

Sales tax must be charged unless all information in each section is fully completed by the purchaser. Purchasers not able to provide all required information must pay the tax and may file a claim for refund (Form GA-110L) directly with the Department of Revenue. A valid certificate also serves as an exemption certificate for (1) county innkeeper's tax and (2) local food and beverage tax.

Section 1 (print only)

Name of Purchaser: Special Olympics Indiana, Inc. Suite 105

Business Address: 6200 Technology Center Dr. City: Indianapolis State: Indiana ZIP Code: 46278

Purchaser must provide minimum of one ID number below.*

Provide your Indiana Registered Retail Merchant's Certificate TID and LOC Number as shown on your Certificate.

TID Number (10 digits): 0002038893 - LOC Number (3 digits): 001

If not registered with the Indiana DOR, provide your State Tax ID Number from another State
***See instructions on the reverse side if you do not have either number.**

State ID Number: _____ State of Issue: _____

Section 2

Is this a blanket purchase exemption request or a single purchase exemption request? (check one)

Description of items to be purchased: _____

Section 3

Purchaser must indicate the type of exemption being claimed for this purchase. (check one or explain)

- Sales to a retailer, wholesaler, or manufacturer for resale only.
- Sale of manufacturing machinery, tools, and equipment to be used directly in direct production.
- Sales to nonprofit organizations claiming exemption pursuant to Sales Tax Information Bulletin #10. (May not be used for personal hotel rooms and meals.)
- Sales of tangible personal property predominately used (greater than 50 percent) in providing public transportation - provide USDOT Number. A person or corporation who is hauling under someone else's motor carrier authority, or has a contract as a school bus operator, must provide their SSN or FID Number in lieu of a State ID Number in Section 1.
USDOT Number: _____
- Sales to persons, occupationally engaged as farmers, to be used directly in production of agricultural products for sale.
Note: A farmer not possessing a State Business License Number may enter a FID Number or a SSN in lieu of a State ID Number in Section 1.
- Sales to a contractor for exempt projects (such as public schools, government, or nonprofits).
- Sales to Indiana Governmental Units (agencies, cities, towns, municipalities, public schools, and state universities).
- Sales to the United States Federal Government - show agency name: _____
Note: A U.S. Government agency should enter its Federal Identification Number (FID) in Section 1 in lieu of a State ID Number.
- Other - explain: _____

Section 4

I hereby certify under the penalties of perjury that the property purchased by the use of this exemption certificate is to be used for an exempt purpose pursuant to the State Gross Retail Sales Tax Act, Indiana Code 6-2.5, and the item purchased is not a utility, vehicle, watercraft, or aircraft.

I confirm my understanding that misuse, (either negligent or intentional), and/or fraudulent use of this certificate may subject both me personally and/or the business entity I represent to the imposition of tax, interest, and civil and/or criminal penalties.

Signature of Purchaser:  Date: January 1, 2020

Printed Name: Jeff Mohlar Title: President/CEO

The Indiana Department of Revenue may request verification of registration in another state if you are an out-of-state purchaser.
Seller must keep this certificate on file to support exempt sales.



Department of the Treasury
Internal Revenue Service

P.O. Box 2508, Room 4010
Cincinnati OH 45201

In reply refer to: 4077556534
June 04, 2015 LTR 4168C 0
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BODC: TE

INDIANA SPECIAL OLYMPICS INC
6200 TECHNOLOGY CENTER DRIVE STE 10
INDIANAPOLIS IN 46278-6003



021678

Employer Identification Number: 35-1262574
Person to Contact: S LENARD
Toll Free Telephone Number: 1-877-829-5500

Dear Taxpayer:

This is in response to your May 13, 2015, request for information regarding your tax-exempt status.

Our records indicate that you were recognized as exempt under section 501(c)(03) of the Internal Revenue Code in a determination letter issued in May 1972.

Our records also indicate that you are not a private foundation within the meaning of section 509(a) of the Code because you are described in section(s) 509(a)(1) and 170(b)(1)(A)(vi).

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

Please refer to our website www.irs.gov/eo for information regarding filing requirements. Specifically, section 6033(j) of the Code provides that failure to file an annual information return for three consecutive years results in revocation of tax-exempt status as of the filing due date of the third return for organizations required to file. We will publish a list of organizations whose tax-exempt status was revoked under section 6033(j) of the Code on our website beginning in early 2011.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely yours,

Tamera Ripperda
Director, Exempt Organizations

Email Maureen Rumer for PDF copy - mrumer@soindiana.org