

FINANCIAL

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FINANCIAL

Mites and Other Operational Costs

Mite Offerings

Mites provide the funds for mission grants and the operating expenses of our organization. These offerings are gathered by zones, groups, and members in numerous ways with the most prevalent being the Mite Box. Groups are encouraged to submit mites monthly. **All mite offerings are remitted to the LWML Texas District Financial Secretary** for deposit and proper recording. DO NOT mail to the District Treasurer. Items of importance for remitting mites are:

Remittance Forms — Always use a remittance form.

1. **There are three different remittance forms — Group, Individual, and Memorial/Honorarium.** Current copies are included in this section and PDF fillable forms are available on the website (*lwmltxdist.org*) under giving/donate mites and resources. Please use these for making copies as needed. The original needs to remain in the *Leader's Manual*. Contact the District Financial Secretary (*financialsecretary@lwmltxdist.org*) for assistance if needed.
2. **Complete the remittance forms accurately.** Include the full name of your group, church, city of the church, **treasurer's name, phone number and email address**. LWML receives 25% of regular mite offerings. The remaining 75% remains with the district. (No calculation is needed on the remittance form. The District Treasurer makes this calculation in a monthly lump sum.) Occasionally a group may designate some offerings to LWML (national) or LWML Texas District only. In these instances, please use the specific boxes provided on the form.
3. **Use of the "Other" box on the remittance form.** This section can be used for any specially designated donation. It may also be used when honorariums or memorials are included with the mite remittance check. List the names of those being honored or remembered. Also, include the name and address of the person to receive an acknowledgement card, if so desired.
4. **Do not hesitate to use the back of the form** for any additional information that needs to be relayed to the District Financial Secretary.

Checks are to be made payable to LWML Texas District. Do not include any added information on the payable line such as "Mites" or "Financial Secretary."

Mail check and remittance form to the District Financial Secretary:

**LWML Texas District
Alissa Elley, Financial Secretary
PO Box 183
Seguin, Texas 78156**

Be sure to include your return address. Please note that the mailing address will change with the election of a new financial secretary every four years. The current mailing address is publicized via numerous medias including *The Lone Star Connection* and the

website.

Other Options for Mite Giving

1. **Joyful Response**[®] is the Lutheran Church Extension Fund (LCEF) service that provides the ability for LWML to offer their members and supporters an electronic, automated method to make their mite offerings. Individuals can request automated withdrawals which are then deposited in an account the district has established with LCEF. Electronic mite offerings occur just like money or check contributions without the time and expense of writing and handling personal checks or money. Offering amount and frequency is specified by the supporter. The contributor designates which group is to be credited with their donation. This amount is included in the biennial statistical report to the convention. The information and enrollment form are available from the District Financial Secretary at financialsecretary@lwmltxdist.org.
2. **Donate Online** by going to the website lwmltxdist.org and using the donate button located on the home page and under giving. Donations can be made using a debit card, credit card or PayPal account. Please include your church name, church city and LWML group name in the note section for your group to receive credit for the donation.
3. **Thrivent Choice Dollars**[®] is a program of Thrivent Financial, a not-for-profit corporation that does not pay federal taxes. They give back to the community what they would have had to pay in taxes. One way this is accomplished is through Choice Dollars[®]. If you are a Thrivent member and pay premiums, you most likely have Choice Dollars[®] to direct to any charitable organization listed on their website. Go to thrivent.com/thriventchoice or call 800-847-4836. By selecting Lutheran Women's Missionary League Texas District these dollars are then deposited into the district's bank account.
4. **Honorarium and Memorial** remittance cards and remittance envelopes are available from the District Financial Secretary for those special times you wish to honor someone for their service to the Lord either while still living here on earth (honorarium) or living with the Lord (memorial). These cards and separate remittance envelopes can be used by individuals, groups or zones to contribute to mites, Texas District mites or one of the endowment funds. Further information on these endowments can be found on the website under endowments. **NEW:** A remittance form for memorials and honorariums is included in this section and a PDF fillable form is available on the website lwmltxdist.org under mites and resources.

Additional options for mite giving can be found in the *Mite Offering Resources* handout in this section and on the website under donate mites. Zones and groups are encouraged to distribute *Mite Offering Resources* to all members and supporters.

Quarterly Subscriptions

- **Subscription orders and payments for these orders** are handled yearly through the district — not the LWML office — and are submitted at the same time as the membership reports. The order form and payment are to be returned to the zone president with the group and individual membership forms. The zone president will then submit the forms, orders and checks to the District Vice President of Organizational Resources. From there, the *Quarterly* order and payment is forwarded to the District Financial Secretary.

- **DO NOT** mail *Quarterly* payments to the national LWML office. The current subscription rates are as follows:
 - Orders of 10 or more to the same address - \$6.50 per subscription
 - Orders of less than 10 to the same address - \$8.00 per subscription
- The **Lutheran Braille Workers** provide a large print version of the *Quarterly*. The Texas District has pledged an annual donation of \$1 per subscription. The LWML group reimburses the district for each subscription ordered.

Travel Fund

- Travel fund is collected in the spring of each odd-numbered year for the purpose of sending the district delegation to the national LWML convention.
- Each zone is responsible for submitting the assessed amount for their respective zone to the District Financial Secretary. This assessment is based on member numbers as submitted on the latest membership report and the estimated costs of travel for delegates and district officers as designated in the district standing rules.
- It is at the discretion of each zone as to the source of where and how the travel fund amount is covered. The most common practice is to request payment to the zone from each group based on their respective member numbers and from each individual member. It is the zone's responsibility to advise each group and individual member of this amount.

District News

Groups and individual members are strongly encouraged to contribute \$1 per member annually to help defray the cost of *District News* in the *Texas Messenger* section of *The Lutheran Witness*. It may be submitted with the annual membership report to the zone.

LWML Financial Structure

It is very important the members of our organization be aware of where their gifts and offerings go and why. Finding the means of presenting this consistently is important. Below is information on each entity's current responsibilities based on district and LWML bylaws and standing rules.

Group and Individual Member:

1. Remits to district all mite offerings, memorials, honorariums.

Current mailing address for these items is:

**LWML Texas District
Alissa Elley, Financial Secretary
PO Box 183
Seguin, Texas 78156**

Each election of a new District Financial Secretary will bring a new mailing address for mites. Please watch for notifications of these changes.

2. Remits to zone the travel fund assessment, annual *Quarterly* subscription order and ingathering drives, etc. conducted by the zone.
3. Retains operating funds gathered separate from mite offerings for expenses relating to service activities within the congregation or community and minor operating expenses. (This does not pertain to an individual member.)

Zone:

1. Remits to District Financial Secretary the travel fund assessment in the amount requested by the District Financial Secretary.
2. Remits annual *Quarterly* subscription renewals as provided by each group.
3. Remits percentage of zone event offerings designated for mites (sent directly to District Financial Secretary).

District:

1. Remits 25% of regular mites received plus any specially designated mites to LWML.
2. Retains and disburses mites and offerings to fund LWML Texas District mission grants and general operating expenses according to convention delegates' directive in biennial work program, following district bylaws and standing rules.
3. Distributes reimbursements to the LWML delegates and designated personnel from the assessed travel fund.
4. Submit payments for *Quarterly* subscriptions from funds submitted by groups and individuals.

The district, zone and group treasurers are required to give a tax statement to each donor who makes a monetary donation of \$250 or more. The donation total must be made at one time and not accumulated. The IRS will not allow the donation for a deduction without a letter from the charity acknowledging the donation. A sample IRS donation letter is available from the District Treasurer. More information can be found at www.irs.gov in IRS Publication 1771 Charitable Contributions.

Budgets and Operational Funding

Goals and Budgets

Groups are encouraged to strive for mission service by setting goals for the year and biennium. Establishing a budget assists in accounting for operational costs, necessary funds for voting representation at district conventions and the district travel fund assessment for LWML convention representation. Attendance at these conventions, as well as zone activities, provides information, inspiration and invigoration for your members and should not be viewed as taking funds from the mission grants. A page explaining the LWML Texas District budget terminology is included in this section (p.10).

Accomplishing the mission of the LWML takes inspiration and education so that mission service happens in a responsive manner and mites are prayerfully offered.

Treasurers are to assist groups and zones in managing funds and are accountable to their groups and should:

1. Keep a statement of income and expense with appropriate level of detail. This provides timely and accurate reporting as requested. A sample *Treasurer Count Sheet* is available in this section and on the website under resources.
2. Send mites **monthly** to the District Financial Secretary. It is important the check is accompanied by a **remittance form** with appropriate information. Checks are to be made payable to **LWML Texas District**. (Mailing address can be found in this section.)
3. Evaluate the budget versus actual finances annually.

Group and Zone Checking Accounts

The Lutheran Women's Missionary League (LWML) Texas District falls under the umbrella of the LWML, a national organization, chartered by the State of Missouri. The LWML Texas District is chartered in the state of Texas and is registered with the Texas Secretary of State. LWML is a federal tax-exempt organization under IRC 501 (C)(3).

Groups and zones fall under the umbrella of the LWML Texas District. Use the LWML Texas District federal identification number on all bank accounts. This allows the bank to exempt your organization's checking or interest-bearing account from withholding federal income taxes.

Opening a bank account:

1. Contact the District Treasurer (treasurer@lwmltxdist.org) to receive a *Bank Account Authorization Letter* giving you permission to use the LWML Texas District federal ID# and district name on the account. You may also request additional legal documentation required by financial institutions from the District Treasurer.
2. All accounts should be opened under the name:
Lutheran Women's Missionary League Texas District
_____ Zone (OR)
_____ Group

3. The group or zone may have an interest-bearing account and does not have to pay federal income taxes on that income.
4. This number does not entitle you to a no-fee checking account, but each financial institution can, at the discretion of the bank, waive the fees. Discuss this with various banks. Consider using a bank where the church or members have an existing banking relationship. In general, most LWML accounts have little activity, and minimal or no service fees leave more funds for missions.
5. A bank account for an LWML group or zone should never be opened using a personal social security number. It is not acceptable to use your personal bank account for LWML business, such as collecting and remitting mite money.
6. The *Bank Account Information* form (located in this section and a PDF fillable form available on the website under resources) should be completed with the treasurer contact and bank information and sent to the District Treasurer. This form should be completed any time the group, zone treasurer or bank account information changes.

If you have difficulty in opening an account, contact the District Treasurer for assistance at treasurer@lwmltxdist.org.

IRS

Do not correspond with the Internal Revenue Service regarding LWML for any purpose. Refer all correspondence and questions to the District Treasurer (treasurer@lwmltxdist.org), who will then forward it to the LWML Treasurer. The LWML handles all IRS filings and applicable correspondence.

Texas Sales Tax Regulations

The State of Texas recognizes the LWML Texas District as part of the national organization of the LWML, a federal tax-exempt organization under IRC 501 (C)(3).

To request exemption on payment of Texas sales tax:

Complete a *Texas Sales and Use Tax Exemption Certification* form (available from the District Treasurer) and use it to exempt purchases by your group or zone. Purchases of materials that are used (consumed) for the group or zone are exempt. Include your group or zone name and address as the purchaser.

When to collect Texas sales tax:

If your group has fundraising events year-round such as selling greeting cards, t-shirts, cookbooks, etc., **then you may need to apply for a *Limited Sales Tax Permit*** and collect and remit state sales tax to the state. **(Food and baked goods are exceptions.)** The State Comptroller's local field office will assist you in preparing the forms. The Comptroller will send the proper form for filing, either annually or quarterly, and the form can be completed stating taxable sales or declaring no taxable sales for the time period. **Contact the District Treasurer (treasurer@lwmltxdist.org) for assistance before applying.**

There is an allowance for TWO one-day events per year to sell taxable goods and merchandise and those two fundraisers can be exempt from sales tax. This is allowed only if your group has a separate sales tax permit. Consult with the District Treasurer for questions.

Stewardship/Giving Resources

Groups should prayerfully set goals for local mission work. Strive to serve your congregation and community. Strive for a specific purpose for the gifts God has moved you to contribute. Refrain, if possible, from carrying a large cash balance from year to year, with no designated purpose.

Use the LWML website and publications for devotional materials that promote sacrificial giving. Encourage the women of the congregation to use their time, talents and treasures as God has provided. Interact with other groups and use zone functions to share ideas, plans and goals for missions.

Share information often on the mission grants funded by LWML and LWML Texas District. Both websites have numerous resources. Educating others about mission grants will encourage mite offerings.

Reimbursement of Expenses

Each zone is represented at the district level at the Board of Directors meetings and the LWML conventions. Expenses such as travel, meals and lodging can be reimbursed. Refer to the *Travel Policy* (see Board of Directors section in this manual) and applicable *Standing Rules* for guidance. All vouchers must be submitted within 60 days for reimbursement.

All district reimbursement requests must be on a *District Expense Voucher* form (included in this section and a PDF fillable form available on the website under resources). All backup documentation (receipts, mileage printout from a web-based map program, registration forms, etc.) must accompany the voucher for processing. All vouchers require approval of the District President.

Suggested Guidelines for Financial Reviews Conducted on Group or Zone Financial Records

1. Review the group or zone bylaws and standing rules for basic guidelines on what is allowed and /or mandated in the area of finances.
2. Obtain from the group or zone secretary, copies of the minutes of all meetings covering the time period being reviewed. These minutes will document any special expenditures the treasurer was authorized and directed to pay.
3. Appoint a financial review committee of at least two people to review the treasurer's group or zone financial records. It is best to have committee members that are not on the bank account and do not make deposits. Under no circumstances should the treasurer be a committee member for the review.
4. Have the financial review committee complete the *LWML Texas District Financial Review Zone or Group* document (included in this section and available on the website under resources).
5. Once the financial review is complete, have the committee complete a Letter of Financial Review and submit it with any recommendations to the Executive Committee of the group or zone.
6. Contact the District Treasurer (treasurer@lwmltxdist.org) for assistance or questions.