



Illinois State Council Knights of Columbus Charities, Inc.

Intellectual Disabilities Fund Drive

PROGRAM PROCEDURE DO'S AND DON'TS

This has been prepared because councils in recent years have seemed to forget what our Intellectual Disabilities drive is all about - Charity. While we are grateful for all donations we must not lose our perspective and list exorbitant and unnecessary expenses.

These "Do's and Don'ts" are guidelines for expenses allowed to be deducted from your collections. These guidelines have been in place for years, but never put to paper. There can be exceptions to these rules with pre-approval from the Intellectual Disabilities Chairman. Don't say "I know how to fill out this form; I've been doing it for 30 years!" How many of you have heard that.... how many have said that?? Things may have changed in those 30 years. So that your funds are deposited quickly and without difficulty, everyone should read the following.

It is particularly important to approach handicapped groups (institutions, parents' groups), as in most instances they are quite cooperative. After all, they are the ones to benefit from the distribution of your funds. Some councils have reported great success by having a school group sell the tootsie roll banks for \$2 or more each and splitting the sales with the athletic group. It is a win-win situation, they make money and so does the council and the banks only cost \$.51 each!

Report DO's: Turn your form in as promptly after the drive as possible.

If there are still solicitation funds outstanding, do not hold your report until those funds are received. Send in your report and check and request another form be sent to you for additional reporting. Identify additional funds by stating **ADDITIONAL FUNDS** over the line which states: Line 1: **GROSS REVENUE FROM DRIVE** at the top of the form

HOW TO COMPLETE YOUR REPORT OF FUNDS

Immediately after holding your Intellectual Disabilities Fund Drive, complete your report. All collections must be shown on Line 1. These are your **GROSS** Earnings and will be applied to your CHARITY GOALS

- Report 10% of your gross earnings and show on line 2a.
- **If you do not carry the State General Liability Insurance**, you **must** deduct the \$50 shown for insurance on line 2b.
- **If you DO carry the State General Liability Insurance**, **DO NOT** deduct the \$50 shown for insurance on line 2b.
- If you wish to donate funds to our zero interest Home Loan program, show the amount of your donation on line 2c.
- Add all deductions (2a + 2b + 2c) and show the total on line 2
- Subtract line 2d from your Gross Receipts shown on line 1.

You are permitted to deduct expenses from your earnings but are restricted to the following:

- You may deduct the amount of your candy costs on line 4a. Please be sure that you have actually paid the cost of your candy. It is fraudulent to deduct an expense that has not in fact been paid. The Grand Knight and Financial Secretary are responsible for the information on this report. It is embarrassing for the entire State when Tootsie Roll calls to obtain payment for candy purchased by councils when the councils have claimed the payment had been paid on their Report Form.
- Additionally, when completing the Candy Order Form, [Instructions for Completing Your Candy Order Form attached] the pink copy is to be sent to the Illinois State Council. It is reconciled to your Report form Line 4a. Since this cost is a major expense to your drive, it is the first expense the Internal Revenue Service reviews when they perform an audit of our records.
- If you order candy for a smaller council and are reimbursed by that council, **YOU CANNOT CLAIM THEIR CANDY AS YOUR EXPENSE!** That now becomes an expense for the smaller council. However, the larger council can add the reimbursement for the candy to their GROSS Revenue (line 1).
- Postage for sending letters of solicitation may be deducted from your report and receipts need not be provided and reported on Line 4b.
- We encourage all councils to replace their old candy aprons and deduct that cost on Line 4c.
- Advertising is encouraged to educate the public that we will be on the streets and outside stores asking for a donation. The cost for this advertisement may be deducted on Line 4d; however a receipt **MUST** accompany the report. A copy of the advertisement itself is also required.
- We realize there are miscellaneous expenses, which should be allowed; the difficulty lies in which kind of expenses will be allowed. A list of allowed and NOT allowed is at the bottom of this sheet.
- On line 4f, is a subtotal of all your Council expenses in Section 4.
- Once line 4f is complete, subtract the amount on line 4f from the amount shown on line 3. This amount is posted to Line 5 **LINE 5 IS THE AMOUNT OF MONEY YOUR COUNCIL HAS TO DISTRIBUTE TO ANY OF THE APPROVED CHARITIES!**
- The final step is to calculate the total amount of your check to submit with your report and its receipts. Add the amount on line 5 to the amount shown on Line 2d and report that amount on Line 6. **LINE 6 IS THE AMOUNT OF YOUR CHECK TO THE STATE COUNCIL!**

Failure to comply with any of the above expense guidelines will result in your council funds being put on HOLD until the error is corrected.

You can collect for Intellectual Disabilities all year. Hold bake sales, spaghetti or pancake benefits; golf outings, etc, but turn in your report promptly after each event. Whenever you hold these types of events, **your net profit is reported on Line 1.**

When reporting additional funds from other solicitations, clearly print "**ADDITIONAL REPORT**" just above GROSS REVENUE FROM DRIVE. Remember to deduct the 10% for the State just as with the original drive report. [Deductions of Less than \$5.00 will not be taken]

Spend all the funds in your account by January of the next year. I.E. Funds collected September 2010 must be spent by January 2012. Any funds remaining after that date will be transferred from the council to the Homes Program. Each Grand Knight will be reminded to spend those funds only once. If no response is received, those funds will be transferred out of the Council's account and donated to the Homes Program

Complete the section entitled: ***For Award Consideration***. This information helps the State Council report information to Supreme, which in turn helps Supreme [and the State] to maintain their Charitable Status.

The Grand Knight and Financial Secretary both must sign the report attesting to that the information contained in the form is correct to the best of their knowledge.

Send the original WHITE copy of your MR Report Form with your check to the State Council at the address shown on the form. Send the YELLOW copy of your report to your District Deputy [if none has been assigned, send to your Diocesan Representative]; Keep the PINK copy for your records.

The Intellectual Disabilities Report is available on-line at the State Website: <http://www.illinoisknights.org> It is available in 2 formats: PDF which you can simply print and complete yourself, OR in Excel format. The Excel format will do the addition and subtraction for you. Remember, delete the \$50 for insurance if your council participates in the State General Liability Insurance Program. Save that report to your computer so you have a copy for your files. When in doubt, call the State Council Office for clarification [815-935-2262] or send an email: illinoiskc@illinoisknights.org

Report DON'T's:

- Do not 'round' your reporting revenue or expenses. Please use dollars and cents.
- Do not send your order directly to Tootsie Roll **IF** your order is less than 18 cases--they will not fill the order **NOR** will they search their production area searching for the order for the council you should have sent your order with!

EXAMPLES OF ALLOWABLE MISCELLANEOUS EXPENSES:

- Envelopes for business solicitations;
- Stationery for solicitation letters;
- Permits;
- Copy costs (Kinko's, or other copying services);
- Food for workers; Food for workers must be held to \$5.00 or less per volunteer. Alcoholic beverages are strictly not reimbursed. Receipts for all food must be attached. ***Charges for food will be allowed ONLY if the "Volunteer Section" is completed***

EXAMPLES OF MISCELLANEOUS EXPENSES NOT ALLOWED:

- Excessive food for volunteers costing more than \$5 per person
- Meals to present funds to recipients
- Reimbursement for hats purchased by the council or by any individual
- Special Collection canisters
- Rental costs of buildings or trailers for the purposes of counting funds or 'gathering the troops' or as warming stations.
- Gas to pick up collections, drop off candy, or pick up candy from District Deputy, Tootsie Roll etc
- Rental fees or bank charges for coin-counters.
- Costs for special shirts advertising the drive or identifying a collection volunteer.
- Parking fees

We are sure some members might grumble about these rules, but as previously stated, these guidelines, in some cases, have been in place for many years, others have been established more recently to curtail excessive non-essential expenses.

We are aware that sometimes circumstances occur which may cause exceptions to these rules, however, if those exceptions can be anticipated, prior approval by the State Charities Director must be obtained in writing and that exception approval **MUST** accompany the MR Report along with receipts for the expense i.e. Parking in Chicago or other metropolitan areas for which sizeable costs can be incurred.

We want to be good stewards of these donations and thereby assure all donors that the maximum amount of funds collected are given to the recipients that need our support.